NWX-DEPT OF COMMERCE (US)

Moderator: Gregory Pewett

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1:00 pm CT

Coordinator: Welcome and thank you for standing by. At this time participants will be on a listen-only mode until the question-and-answer portion. If at that time you would like to ask a question, press star 1.

Today's conference is also being recorded. If you have any objections, please disconnect at this time. And now I'd like to turn the call over to your host today to Miss Wendy Peebles. Ma'am, you may begin.

Wendy Peebles: Yes. Thank you, Operator. Good afternoon everyone. My name is Wendy Peebles, Lead Outreach Coordinator, Census Bureau International Trade Management Division. With me today is Edward Pritchard with the State Department, Director at Defense Trade Control, who will be discussing their IT modernization projects.

The Census team is happy to collaborate with the State Department to provide you this IT modernization overview. First I'd like to start by thanking everyone for joining today's Webinar. We have an informative Webinar planned and I'd like to go over a few items before we start. The Webinar is being recorded and for confidentiality reasons we ask that during the question-and-answer period that you only provide your first name and do not disclose your company's name or any other sensitive information. The question-and-answer period will occur at the end.

A few days following the Webinar, the transcript, recording, and presentation will be posted to the website. Lastly, we value your feedback so please complete the evaluation form that will be sent to you via email a few days following the Webinar. Now I think we are ready to begin with our subject matter for today and I will turn it over to our presenter, Edward Pritchard.

Edward Pritchard: Thank you, Wendy, and thank you for having me attending. My name's Edward Pritchard. I'm the IT Program Manager with the Department of State's Director of Defense Trade Controls, also known as DDTC. I've been in the position since October of 2016 and prior to that I was a licensing officer with the Division 3 Space and Missiles. And before that I was an IT contractor that supported DDTC's IT systems. So you can say I've had a lot of experience with DDTC.

I'm here today to discuss DDTC's IT modernization effort, specifically the advisory opinions, but before I do I want to give a brief overview of DDTC for those that are not quite familiar with us. We ensure commercial exports of defense articles and defense services are consistent with US national security and foreign policy objectives. We consist of four different offices, our compliance office, DDTC; our licensing office, DTCL; our management office, DTCM; and finally our policy office, you guessed it, DTCP.

We've got a couple key functions. Of course it's not limited to that. We establish and maintain defense export regulations through the ITAR. We register entities and individuals, we adjudicate export licenses and agreements, we respond to inquiries such as general correspondence and advisory opinions, and we promote and enforce compliance.

So as I stated, I will be discussing DDTC's IT modernization efforts and give a little overview on that. I will get more detailed with the advisory opinions, discuss some next steps and wrap it up with some Q&A.

So IT modernization, what is it? It's a term used frequently in the federal government. It can represent a variety of different things, such as a redesigned website, an update to a help desk application or other type of application, or a complete overhaul of an IT architecture. So what does it mean for DDTC? Well it means all of the above.

As you know, DDTC is undergoing a major IT modernization effort to replace all of our legacy systems and we will replace that with a modern cloud technology, a system that we refer to as DECCS, D-E-C-C-S, also known as the Defense Export Control and Compliance System. We're going to take all of our systems such as our Dtrade and (Detra) licensing system, our registration applications, our systems for general correspondence, our (MARY) status retrieval system, and our ESS form submission systems, and we're going to put them all into one cloud-based solution.

Well why are we doing this? Well there are several different benefits: improved security. You're going to have a logon, a password, digital certificate, multiple layers of data backup, and something new that is not existent right now, our secure online pay.gov. We also have enhanced user experience.

So currently to submit a license, you have to use the IBM viewer. Well that will no longer be needed. You'll use a browser-based web application. There'll also be the ability to save work in progress. So currently when you're filling out that IBM form, or using that viewer to fill out the form, and you have to go to a meeting or you get called away to go somewhere else, you have to save it and then it's only usable on that PC. Well that will no longer be the case.

You can save it on the website application and be able to access it on a different computer at a different time and location. There'll also be the copy submission. With the copy submission I know as a licensing officer there are several - I've seen several DSP-5 license requests that come in that have hundreds of entities in them and it's very burdensome for you and your company to reenter all those entities every single time a case is returned without action or if you have a similar license.

Well now you will not need to do that. You can actually pull up an existing license and hit the Copy button and it will make a copy, an exact copy of that license and it'll be on you to go through and edit the fields that are needed before you can resubmit.

There'll also be an online data entry validation and a submission progress tracking so you can see where your case is in the queue. And finally there's a streamlined process. We'll be consolidating forms. So I know many of you have heard over and over again that DDTC will be doing the single form or the one form. That is a part of our IT modernization effort.

Now I should note that will not be - that will not occur right away but that is currently in development. There'll also be, as I stated, an online payment option. And finally there'll be an electronic filing option for current manual processes.

So where are we? I know what you're saying right now. "Yes, Ed. We've heard this song and dance many, many times before. We've heard you speak about it. We've heard your CIO Karen Wrege and other DDTC employees talk about this but where are we? When is it going to happen?"

Well it actually started back in November of 2016 when we converted the commodity jurisdictions, also known as CJs, to an electronic format. And we call that DECCS Release 1. Then just recently we redesigned our website and I like to call that the DECCS Release 1.5. That is the basis, the foundation, of DECCS because that will be where you, the industry user, will be able to come in and use it as our single portal and you'll be able to access all of these things.

And then finally with Release 2 coming up we'll have our advisory opinions, our registration and licensing applications in the fall and winter of 2018. And this will of course include the advisory opinions, which I'll be discussion the online form of that, our registration online forms, and our licensing online forms, including a DSP-5, 6, 61, 62, 73, 74, the 85 and general correspondence. But again you will no longer need the IBM viewer. This will all be web based.

So to give you an example of what I'm referring to when I say Release 1.5, we upgraded our website with a redesign in spring of this year and included a modern and 508 compliant with an intuitive structure and up-to-date content. As - if you are watching this on your computer right now, you'll be able to see we've just pulled it up, and one of the things I wanted to show you was a new feature that did exist in our previous system. It is a search on the upper right-hand corner.

If you click on - or if you type in to that field, you can type in DSP-5. You don't need a hyphen, you don't need to put DSP-05, it doesn't matter if it's uppercase or lowercase, but as soon as you do that -- you might have to redo it again though -- you'll see there's a dropdown. It shows you all the different areas where that text is located. So from here you have four different options. You can see that it's in with Dtrade, form, guidelines and instructions, and the defense trade something-something.

So if you select forms, because that seems like that would be where you would want to go to find a DSP-5 form, you'll notice the form page pulls up and you can see by scrolling down that in the forms is the DSP-5s. But I'd like to mention that since this has just rolled out back in May of 2018, there are -many folks have a lot of comments and suggestions and - or they might be able to find different articles and documents.

Well you can go to our Provide Feedback tab on our homepage on the right-hand side and enter in your comments and suggestions. This way we're able - DDTC is able to track that information so that we can try to improve our website based on your suggestions. This is also the place where we'll be asking later on in my - in this Webinar for your assistance that you can check to see where we are as we will provide feedback and ask inquiries on our homepage.

So why am I here? Well I'm here to discuss the advisory opinions. What is an advisory opinion? Well an advisory opinion is currently through a general correspondence inquiry related to preliminary authorization determinations in the ITAR, such as a 126.9a. It's also the interpretations - or inquiry interpretations of the ITAR on 126.9c and brokering activities within the ITAR on 129.9.

It should be noted that there are several other different types of general correspondence such as your re-transfer, your re-export, your related licensing authorizations, your merger and acquisition notices, your dual national third country national vetting, and your exception approval requests. So why are we just pulling out the advisory opinions?

Well, general correspondence inquiries come in via mail, as you know, via mail and that takes a lot of time and then it's piled with the rest of the general correspondence, so DDTC staff have to go through and sort which correspondence are advisory opinions, which ones are dual nationals, and this can take a lot of time.

Advisory opinions are very specific and they need to be staffed out and vetted to the appropriate staff. So by removing the advisory opinions from the general correspondence inquiries and putting them in DECCS, it will eliminate the time needed to send via the mail and for DDTC to sort through and say, "Hey this is an advisory opinion." Plus you'll get instant feedback.

No I'm not saying that as soon as you submit you're going to get that right then and there feedback but you will no longer have to wait for a mail response. You'll be able to go online, and again through those enhanced benefits, you'll be able to track to see where the status is that a DDTC staff is reviewing and working on your case and then you'll be able to see, "Hey there is a result of my - or there is my answer to my inquiry."

Plus you'll be able to go back in the future and look at all the previous advisory opinions that you and your company have submitted to help you along with the rest of your submissions.

So with our DECCS advisory opinions, there are going to be some new features. As I stated it will be kind of easy and intuitive. It'll have a user-friendly interface, which I will actually show here a screenshot in a minute to give you an example of what it's going to look like.

As I also stated, you'll have the ability to save an incomplete form or an incomplete submission at multiple settings and you'll able to use multiple computers. You'll no longer be tied to your workstation or your laptop. It'll have easy access to relevant data and, as I stated, previous responses, and you'll have the ability to attach supporting documentation if you feel that the advisory opinion could be better stated by adding a brochure or an attachment that you want to ask questions on.

So some of the key benefits of doing it this way. Well there's a centralized and a digitized process facilitating easier, faster communication between DDTC and geo industry and there's an increased clarity of guidance from DDTC. So, as I stated, here is a preliminary and I should note that this is a preliminary, we are currently still in development so what you see here are tabs, and that's the blue text, the submitter identity, points of contact, AO information as such. Those words could change, as well as this. You know, but the feel is kind of why I'm presenting it this way.

And so to submit your advisory opinion information you would first put on your advisory pursuant to the ITAR you'll have the selection of like 126.9 or 129.9 and then you'll dive further into whether you're talking about 126.9a, you're talking about 126.9c, what are you talking about. You'll be able to select from those items there.

And then finally you'll be able to ask your question in the text below. And as you see, there's your Save button at the very bottom that you can save. So if you're writing your text and you get halfway through and well there's a lunch date, I got to go, you know, you can hit Save and come back at a later time. Or if it's Friday at, you know, 4:59 and you hit Save. I'll finish that on Monday when I get back, right? So. And that's just a quick little preview of how it's going to look.

So next steps. So what's going on now? Well coming in the fall of 2018 we're going to be reaching out to you, of course via our homepage website, for user testing on our advisory opinions. We want to hear what you think. You're the one that's going to be using this so we want to know is this easy for you, is there a better way that you might have, you know, want to suggest. So we will reach out. Check our website on our homepage towards the bottom under notifications and we'll be presenting that as well as we'll be reaching out to the different groups as well.

Followed by that we'll release the advisory opinion application once we finish testing and everyone's, you know, is under pretty much a sense of yes this is great, and that'll be followed by, again, another industry testing that we'll be reaching out to you for registration and licensing applications. And we will follow that up with a public comment period for compact disclosures form.

Now I should note that, you know, we've been hearing the questions about disclosures and we are working on it but it needs to go through the 60 and 30-day notices. So those will be going out but that will not be part of the deployment for our DECCS Release 2.

So that's all I have.

Wendy Peebles: Now time for questions. Okay. Thank you, Ed, for that informative information. Operator, I believe we are ready to address questions from the participants.

Coordinator: Yes, ma'am. Thank you. At this time if you would like to ask a question, please press star 1 and record your name. Again to ask a question at this time, please press star 1. One moment for questions.

And one moment. Okay. I believe the first - I don't know if the (Martin) was the last name or the first name. It kind of got all jumbled up. But, sir, your line is open.

(Martin): Okay. I have two questions actually. One is about the (ELISA) system. I didn't see anything about in relation or changes to that. You discussed (MARY) but not (ELISA). And the second question is, is there any plan now or in the future to come to one consolidated system with the Department of Commerce like (SNAPAR) and - linking (SNAPAR) and this system?

Edward Pritchard: Okay. So when you were talking about the (ELISA) system, were you talking about the DOD status system?

(Martin): Yes.

Edward Pritchard: Yes. So that will not change but our status will be very similar to that and it'll provide the exact same information as well. So you'll actually have your choice to go to their system, to the (ELISA) system, or to our single portal where we'll be tracking the licensing submissions as well as your agreement submissions. As for the one working with DOC and the other agencies, we're still working with that and that's still in discussions and development at this time.

(Martin): Thank you.

Edward Pritchard: I hope that answered the question.

(Martin): Thank you.

Edward Pritchard: Thank you.

Coordinator: Thank you. The next question we have comes from (Larry). Your line is open.

(Larry): Hi. I was wondering how batch played into the DECCS Release 2.

Edward Pritchard: So for Release 2 my understanding is there is no batch changes at this time; however, once we work through our single form, our one form, then we'll be reaching out because batch will need to change at that point.

(Larry): So with Release 2 there won't be a retirement of Dtrade quite yet?

Edward Pritchard: Well the batch will still function the same as it does right now, it'll just be going through - it'll be collected a different way.

(Larry): Okay. All right. Thank you.

Edward Pritchard: But any information that we have if it turns out the batch does need to change, we would reach out again on our website on our homepage.

(Larry): Thank you.

Coordinator: Thank you. The next question we have comes from (Erin). Your line is open.

(Karen): It's actually (Karen) and my question is you mentioned that we - that you could do the forms on different computers and things like that. That implies that you're moving away from the Dtrade certificate that we've been using. What kind of security are you going to be using?

Edward Pritchard: So that hasn't been finalized yet but we will still be using different types of certificates. So to answer your question where you're going with this is say depending on the way we go with the certificates, you may have a similar issue that you have with Dtrade, depending on your company too, you may be able to go on to different computers. But you will - the (unintelligible) my focus with that was that you won't be tied to your IBM viewer and you won't be tied to that specific DSP-5 form.

(Karen): Okay. Thank you.

Edward Pritchard: Yes. Thank you.

Coordinator: Thank you. The next question is from (Francis). Your line is open.

(Francis): My question is in reference to pay.gov and you also mentioned the payment options. Are there - when it comes to registration, will you accept electronic payments versus going through pay.gov?

Edward Pritchard: Right now my understanding is that we're just doing pay.gov but I've got someone here taking notes and we'll find out if there'll be other electronic payments as well. I don't unfortunately have that answer.

(Francis): Okay. Thank you.

Coordinator: Once again if you would like to ask a question, please press \*, 1 and record your name.

The next question comes from (Chris). Your line is open.

(Chris): Hi. This is (Chris). Will there be any limitations as to the number of people that can be registered or using it at one time?

Edward Pritchard: So there shouldn't be any limitations on using it at the same time. The limitations for each company's - how many staff they have on there will be determined on I guess the company themselves. So now I know with the corporate administrator there may be some limitations for that but there'll be other roles that you'll be able to add on to that. And we'll have more information as we get closer to release as well as user testing. This is one of the things that we will be testing and asking you guys to test as well.

Coordinator: Thank you. One moment.

All right we do have somebody else that prompted up for a question. It comes from (Bill). Your line is open.

(Bill): Yes. My question is related to record retention. If we now use this DECCS system, you know, we're required to keep copies of agreements and licenses and authorizations for a period of time after their termination and expiration. What's the record retention schedule for information stored in DECCS?

Edward Pritchard: Currently it's still the same as with Dtrade. Nothing has changed for that.

(Bill): So approximately two weeks?

Edward Pritchard: Oh so are you talking about the license after it gets adjudicated and it's out there for two weeks?

(Bill): I'm talking about all of it. Since that information is not in Dtrade and accessible to (unintelligible) post submission, what - both. The question is for both, pre and post submission. How long will this information be available to us? Will it be able to be used at a primary source of record retention?

Edward Pritchard: So my understanding is of course for record retention for industry is still on the ownership of industry and not DDTC; however, you'll be able to access the forms. For how long on there I think that's still to be determined at this point and as we - before we roll out those are the things that will need to be defined for you as well as obviously for us.

But my understanding is that for the licenses after they're adjudicated, currently now they're only out there for two weeks, that will no longer be the case. You'll be able to go a month later and you'll still be able to pull that license as needed.

(Bill): Will there be some kind of possibility of being able to pull down a copy of an entire application package in a common form file type like PDF or XML or - for record retention?

Edward Pritchard: So there will be a printable version and that will be more defined as we go through the user test - user acceptance testing period, whether it'll be a Word doc or a PDF. So I think that's still to be determined but we want to work with industry to help define that.

(Bill): Okay. Thank you.

Coordinator: Thank you. The next question comes from (Rob). Your line is open.

(Rob): Hi. I work a lot in categories one, two, and three on the USML and as you know a lot of that's moving over to Commerce as part of ACR. I guess my question is about timing of the release of phase two, specifically with the DSP-5, 6, and so on. When do you anticipate that it will be required to use the new system to file DSP-5s?

Edward Pritchard: So we're looking at the - for filing it's probably - well it's in the winter of this year, the exact month I'm not certain at this time.

(Rob): Okay.

((Crosstalk))

(Rob): I don't suppose I could talk you into waiting a little bit.

Edward Pritchard: Unfortunately that's not up to me.

(Rob): Well I have - I will say I have appreciated the updates and appreciated the improvements. So thank you.

Edward Pritchard: Well thank you.

Woman: If I could field - I have a few questions from the chat feature here. One of them is relating to timelines. "What is the ballpark" -- this is a question from (Matt) -- "What is the ballpark timeframe on the single form for license submission?

Edward Pritchard: The single form license, as I stated, we are currently in development. It still needs to go through a 60-day and a 30-day. I know many of you are going to say, "Well, Ed, it already went out for a 60-day." But that was over a year ago and we made a lot of different changes to that. So we feel the need to restart this process again so that industry has a say in all this. For the timeline on that, we're looking at the end of 2019 to the middle of 2020. So I hope that answers that.

Woman: Thank you. Yes. Hopefully that answered your question, (Matt).

Wendy Peebles: Operator, are there...

Coordinator: (Matt) was going to be up next so we'll see if that was it. One moment.

Woman: Oh, pardon me.

Coordinator: (Matt), your line is open.

(Matt): Thank you very much, Ed. That answers the question.

Edward Pritchard: Okay. Great.

Coordinator: Great. Thank you. And once again to ask a question, please press star 1. And we do have somebody that prompted up to ask a question. They may be on mute because they did not record their name. If you did press star 1 right now, your line is open. Please check your mute button. Again if you pressed star 1 to ask a question, your line is open. Please check your mute button. All right, due to no response I'll go ahead and clear that queue.

And with that I am showing no further questions.

Edward Pritchard: I think we have one more.

Woman: One more question that came in from the chat function. This is a question from (Corrine) for - she says, "Do you have a timeframe for when DDTC will have the electric reporting of tech data in defense services?"

Edward Pritchard: I guess I would need that question to be a little bit more elaborate on electric reporting. If you're referring to a tech data submission, whether it's an agreement or an exemption, those would still fall under the licensing, which is the winter of this year. So I hope that answers that question. Otherwise please elaborate. I'd be more than happy to try to answer that question.

And as I'm speaking of that too, we have our contact information page up. So for our IT modernization questions, you can reach us at our pm\_ddtcprojectteam -- all one word -- @state.gov. And of course you can always view our website and check for notices on the front page. You'll need to scroll down to see the notices though. It's at www.pmddtc.state.gov.

For general inquiries, contact our DDTC response team at 202-663-1282 or email them at ddtcresponseteam@state.gov. And then finally for our technical assistance, you can contact our DDTC help desk at 202-663-2838 or email them at dtradehelpdesk@state.gov. And yes it still says Dtrade Help Desk and we eventually probably will change that when we roll out production this winter.

Woman: And just a clarification to your last question that just came in through the chat feature. From (Corrine) she said there's a caveat in the ITAR that states these will eventually require input into DDTC enabling the documentation of value and active agreements and tech data licenses. (Corrine), if you email one of the…

Edward Pritchard: So, yes. I would suggest contacting our response team at 202-663-1282 or you can email them at ddtcresponseteam@state.gov and they can forward your question to the appropriate people to answer that.

Woman: And then just one last chat because someone says, "Sorry for the duplicate but can you restate when the one form license will potentially be available?" They lost - their phone broke up and just want to know the answer to that hot question.

Edward Pritchard: So that'll - currently, I'll say currently, will be in the winter of 2019 to the spring, early summer of 2020. Again we're - it's a vague range, I understand that, but there are a lot of complexities to this, including the 60 and the 30-day notices. We want industry to make sure that they have their input into this and we want to make sure we can answer all their comments and review all their suggestions. But we are working diligently. I know because I'm firsthand on that.

Wendy Peebles: Operator, are there any other questions in the queue?

Coordinator: No, ma'am. I'm showing no questions.

Wendy Peebles: Okay. Any other questions in the chat?

Woman: I think we've got most if not all.

Wendy Peebles: Okay. Great. Well I certainly want to thank Ed Pritchard for the presentation today on the IT modernization projects as well as thank all you who dialed in to participate and ask that you please visit the Census website for future outreach events from Census as well as our collaborations with other agencies.

And as a little reminder, we will be sending an evaluation for you to complete. We value your feedback so please take a few minutes to complete the evaluation. And once again the presentation and recording will be posted to the Census website within about two to three business days. And if there are no other questions in the queue, this completes today's Webinar.

Edward Pritchard: Thank you.

Coordinator: Thank you. This does conclude today's conference. All parties may disconnect.

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