

DLAR 2030.1--TRADE SECURITY CONTROL PROCEDURES APPLICABLE TO
DEPARTMENT OF DEFENSE SURPLUS PROPERTY AND FOREIGN EXCESS PERSONAL
PROPERTY

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NO. 2030.1

**TRADE SECURITY CONTROL PROCEDURES
APPLICABLE TO DEPARTMENT OF DEFENSE SURPLUS PROPERTY
AND FOREIGN EXCESS PERSONAL PROPERTY**

(Supplementation is prohibited.)

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PURPOSE AND SCOPE

A. This regulation provides policies, responsibilities, and procedures for the application and enforcement of DoD Trade Security Controls (TSC) to prevent DoD surplus property and Foreign Excess Personal Property (FEPP) from being exported directly or indirectly into (1) countries or areas whose interests are inimical to those of the United States or (2) other denied areas designated by the Department of State or Department of Commerce.

B. This regulation implements DoD Directive 2030.8, Trade Security Control Procedures Applicable to Department of Defense Surplus Property and Foreign Excess Personal Property.

H. DRMS INTERNATIONAL (DRMSI) SALES OFFICE. The office responsible for the conduct of DRMS's sales program in Europe and the Pacific Region.

I. DRMS NATIONAL SALES OFFICE. The office responsible for the conduct of DRMS's sales program in the United States.

J. DEFENSE REUTILIZATION AND MARKETING SERVICE (DRMS). The organization vested with operational command and administration of the DoD Personal Property Reutilization and Marketing Program.

K. DEMILITARIZATION. The act of destroying the military offensive or defensive advantage inherent in certain types of equipment or material. The term includes mutilation, cutting, crushing, scrapping, melting, burning, or alteration designed to prevent the further use of this equipment and material for its originally intended military or lethal purpose and applies equally to material in unserviceable or serviceable condition that has been screened through the Inventory Control Point (ICP) and declared surplus or foreign excess.

L. DENIED AREA. For the purpose of this regulation, denied areas are those countries which the Departments of State, Commerce and Treasury have determined to be prohibited destinations for the sale or resale of Munitions List and Commerce Control List property, unless an exception or exemption is specifically granted.

M. DOD SURPLUS. Personal property located in the Domestic Area which is not needed for the discharge of responsibilities of any U.S. Government agency.

N. DOMESTIC AREA. Defined as the United States (U.S.), Alaska, American Samoa, Guam, Hawaii, Puerto Rico, the Trust Territory of the Pacific Islands (TTPI), and the Virgin Islands.

O. END-USE CERTIFICATE (EUC) (DLA Form 1822). A document submitted by bidders/offers (person or company) for each sale of DoD surplus property and DoD FEPP which has been identified as being Munitions List Items (MLI) and Commerce Control List Items (CCLI). The document identifies the person or company submitting the bid, the sub-purchaser (if appropriate), the items being acquired and intended disposition and destination/end-use. This document also informs the recipient of the various laws and regulations that the property is subject to.

P. END-USE CHECK. A pre or post check made by DLA or in the case of property sold in a foreign country by the U.S. diplomatic mission to verify that final destination and ultimate use of DoD surplus personal property and DoD FEPP purchased from the DoD conform to the destination and use stated in the EUC.

Q. FOREIGN MILITARY SALES (FMS). That portion of U.S. security assistance authorized by the Foreign Assistance Act of 1976, as amended. The recipient provides reimbursement for defense articles and services transferred. FMS includes DoD cash sales from stocks (inventories, services, training); DoD guarantees concerning financing by private or Federal Financing Bank sources for credit sales of defense articles and defense services: sales financed by appropriated direct credits; sales funded by

a. Bidders who have violated TSC regulations may be removed from the CBL and placed on the BEL. For a substantive violation, the SCO should follow the suspension and debarment procedures used in the cases of a substantive violation. Firms and individuals listed in the BEL are not acceptable recipients of DoD property, e.g., property offered for sale by DRMS or that resold by previous purchasers and are not authorized access to DRMS facilities. Bids received from them will not be accepted. Award to bidders naming a bidder on the BEL as a prospective recipient will not be made unless the bidder understands and agrees that no resale or other transfer to the listed bidder is permitted and the bidder's EUC is amended accordingly.

(1) Reasonable opportunity shall be given to affected parties to present information, in writing, in opposition to BEL action. BEL actions, other than Administrative, will be subject to review by the legal counsel assigned to support the Central Unit.

(2) Bidders placed on the BEL for Substantive Violations will remain on the list indefinitely.

(3) Bidders placed on the BEL for Technical Violations will remain on the BEL for 6 months for the first violation and be placed on the list indefinitely for a subsequent violation.

(4) Bidders placed on the BEL for Administrative Violations will remain on the list until the violation is corrected or for 1 year, which ever comes first.

b. Firms and individuals who are placed on or removed from the BEL, or whose status on the BEL changes, will be so informed in writing by the DRMS.

c. DRMS/DRMOs will forward to the supporting Central Unit information copies of all derogatory information received on current, prospective, debarred or suspended bidders.

C. Controls Applicable to All Sales and Exports.

1. All sales offerings of FEPP and MLI/CCLI in the Domestic Area will include a special condition which requires that all bidders submit with their bids a properly completed DLA Form 1822, End-Use Certificate (EUC) (enclosure 1) showing the edited destination, ultimate use, and disposition of all property on which bids are submitted. EUC will contain the buyers Date and Place of Birth; Social Security Number or in the case of a company, the companies Federal Taxpayer Identification Number, and a telephone number where the buyer/representative may be contacted during normal working hours. Sales offering will include a blank copy of the certificate for use by prospective bidders. The SCO will verify the completeness and acceptability of the EUC. When the EUC of the high bidder is incomplete or otherwise inconsistent with this regulation, the award will be held in abeyance and the bidder will be notified. If the bidder fails to execute an acceptable certificate within a reasonable period of time, his bid may be rejected as being nonresponsive. Bidders that are consistently late or consistently fail to submit an EUC should be referred to assigned legal counsel for appropriate action.

2. Sales Offerings:

a. Articles describing the disposition restrictions and procedures for all FEPP and for MLI and CCLI in the Domestic Area shall be included in all sales offerings.

b. All items of FEPP known not to be of United States origin will be specifically designated in sales offerings. Each sales offering will include the statement, "All items not otherwise designated are deemed to be of U.S. origin."

c. Sales offerings of MLI/CCLI will specifically describe the item to assist the buyer in obtaining a Export License if required, i.e., stock numbers or descriptions of end use/items.

3. Statement Regarding Disposition and Use of Property (End-Use Certificate).

a. MLI and CCLI will not be sold on retail sale.

b. All bidders on all FEPP and bidders on MLI and CCLI in the Domestic Area will be required to complete and sign an EUC.

c. This certificate will be completed in accordance with the instructions contained therein. Information furnished by the bidder will become a part of the bid and will be considered in determining whether acceptance would be consistent with the security requirements of the United States.

d. The original EUC of the successful bidder will be attached to the original contract. A legible copy of the EUC will be provided to the Central Unit.

D. Additional Controls Applicable to FEPP and Domestic Sales of MLI and CCLI.

1. Changes to the EUC by the bidder after contract award will require the prior written approval of the SCO. The requirement for this prior approval will be indicated by the SCO on each DRMS Form 1427, Notice of Award, for sale of MLI/CCLI.

2. If a bidder's EUC indicates that the identity of the subpurchaser or the country of importation is unknown, subsequent determination of specific purchasers and countries of importation should be regarded as a change of fact or intention within the meaning of paragraph 8 of the EUC.

a. All such changes require the prior written approval of the SCO.

b. No change to EUC shall be approved unless the changed subpurchaser, destination, or use, is acceptable.

c. If the requested change is not acceptable, one of the following actions will be taken, unless the bidder withdraws the request for change and agrees in writing to adhere to his original EUC and to carry out the terms of the contract, or provides an acceptable alternative.

(1) If award has not been made, and after coordination with assigned legal counsel, the bid shall be rejected.

(2) If award has been made but the property has not yet been removed from the U.S. installation, and after coordination with assigned legal counsel, the contract shall be cancelled.