

COMSATS: Talking Points

Industry urges the Senate to adjust appropriately the export control jurisdiction of commercial satellites (comsats) and related technologies.

What We Seek

- An approach that allows for timely and more precise licensing decision-making while ensuring that sensitive technologies are kept out of the wrong hands.
- Industry's proposal would preserve Congressional prerogatives to have final review of the list of technologies to be suggested for transfer from the USML to CCL, and to act if needed.
- Moreover, Industry is not seeking any change to existing restrictions with respect to satellite exports to or launch from China.

Background

- The National Defense Authorization Act for Fiscal Year 1999 transferred export licensing jurisdiction over commercial satellites and related components to the State Department.
- As a result, comsats are the only items on the US Munitions List (USML) for which licensing jurisdiction is explicitly mandated by law.
- US firms accounted for 73% of the world market for commercial satellites in 1998; today that figure is less than 30%.
- Instead of slowing the growth of foreign space capabilities, current US controls have in fact prompted numerous countries to develop indigenous capabilities and leverage their growing market share internationally – through offerings of “ITAR-free products” to support their own R&D and innovation.
- The Center for Strategic and International Studies (CSIS) reports that the U.S. is the only country that requires stringent, time-consuming reviews and approval processes for exports of commercial satellites and related components.
- As U.S. market share declines, U.S. prime integrators and many more subtier suppliers are increasingly reliant on sales to the U.S. government exclusively or are considering exiting the space business altogether with the barriers they face to commercial business opportunities.
- No where has the impact of the onerous US regulatory environment been felt than by small US suppliers which lack the organizational structure, staff, and marketing resources to offset the added burden of these export control barriers in such a close, competitive climate
- In the absence of a healthy, cutting-edge, space industrial base in the U.S., our government may be forced to rely on foreign suppliers for key components for satellites that support our defense and intelligence activities or may be compelled to provide direct financial support to the US space industrial base to maintain engineering and manufacturing capabilities critical for developing and supporting future systems.
- Current US export policy is also constricting U.S. engagement and partnership with the rest of the global space community, and is feeding a growing separation between the U.S. space community and an emerging non-U.S. space community.