



Ten Key Facts About Export Control Modernization

Modernizing the U.S. export control regime is vital to the aerospace and defense industry. The following 10 key facts illustrate how prudent and appropriate changes to the system will support U.S. national security and foreign policy interests while also helping American companies become more competitive in the global marketplace.

1 U.S. Defense Exports Support Partner Capability and Coalition Operations

The last two Quadrennial Defense Reviews and current combatant commanders all acknowledge the operational benefits of equipping other countries with appropriate levels of U.S. technology. Defense exports to partner countries help sustain and expand political and military cooperation. Higher levels of technology exchange with close allies enable their self-defense, defense of our common interests and ensure interoperability with our military.



2 U.S. Defense Exports Lower Defense Acquisition Costs

By engaging in technology exports to and imports from a global supply chain, U.S. defense companies are able to combine the best technology options from around the world to sharpen the competitive edge of the American warfighter at the best price to the American taxpayer. Beyond making it possible and more affordable to develop future weapons systems, defense exports lower the unit purchasing costs and life-cycle management costs of current weapons systems in the U.S. arsenal.

3 U.S. Defense Exports Grow and Sustain the U.S. Defense Industrial Base

The U.S. enjoyed a \$9.2 billion trade surplus in defense equipment last year, with \$14.2 billion in exports supporting 818,800 high-skill, high-wage American jobs. There are a number of production lines (and their related supply chains) that would have shut down permanently if not for foreign sales. Major U.S. defense companies are trying to expand their international sales opportunities anywhere from six to 10 percent in the next five years to offset any future cuts in the U.S. defense budget.

4 The U.S. Aerospace and Defense Industry Supports a Robust Export Control System

Effective control of exports means denying our adversaries access to truly critical technologies. It also means ensuring that our technological assets and those of our allies and partners can be appropriately shared and quickly deployed in cooperative programs and operational situations. AIA companies are committed to following the highest standards of export control compliance and support measures to strengthen the enforcement of this system.

5 The U.S. Military Requires Better Operational Performance from the U.S. Export Control System

The multiple steps to evaluate the release of U.S. technology overseas by the Defense Department and subsequent lengthy interagency review and approval of defense export licenses are not optimized for predictability, efficiency or transparency. The lack of precision regarding what specific technologies need to be controlled and a lack of flexibility with fewer options on how to control them appropriately compound the problem. These points of friction create missed opportunities as well as avoidable delays and costs for industry, our partners and allies and our military.



6 Small- and Medium-Sized Companies Have the Most Problems with the U.S. Export Control System

Small and medium sized companies typically lack the resources and the confidence to navigate the complexity of the U.S. export control system or pay a high price for the expertise to do so. Failing to operate in compliance with the export control system carries both criminal and contractual liability. As a result, some companies avoid seeking export opportunities. Others routinely lose sales to foreign competitors because, as noted in the 2010 QDR, “our overly complicated system results in significant interagency delays that hinder U.S. industrial competitiveness.” Ultimately, the loss of export opportunities weakens the U.S. defense industrial base, a significant national security risk.

7 AIA's Priorities for Export Control Modernization are Focused on Supporting National Security

- Creating more tailored control requirements on specific technologies that better account for their capabilities as opposed to the current “one size fits all” control regime used for defense exports
- Moving away from cumbersome, transaction by transaction review and approval of licenses supporting programs important to the U.S. military and our closest allies
- Developing more efficient procedures to ensure initial Defense Department reviews of a proposed export are completed in an efficient and consistent manner.
- Expanding and clarifying for industry tactical and strategic export opportunities for Unmanned Aircraft Systems in support of U.S. operational priorities.

8 Interim Changes in the Export Control System are Possible and Important

AIA's recommendations would provide immediate and demonstrable benefits to our armed forces and our industry's ability to support them. These objectives can be achieved quickly, at least in part, in many different ways and can be acted on independently of each other. Reforms should therefore be implemented on a rolling basis, and deliberation on one should not delay or deter consideration of the others.

9 Comprehensive Export Control Modernization is the Ultimate Objective

Finding solutions that can address all of these challenges and balance U.S. national security, foreign policy and economic interests will require more than tinkering around the edges of the current system. AIA supports the administration's phased approach to comprehensive reform as represented by a single technology control list, single export licensing and administrative enforcement agency, a single criminal enforcement coordination center and a single IT infrastructure for the interagency process.

10 Congress Must Play a Leadership Role in Export Control Modernization

AIA looks to Congress to encourage a robust modernization agenda, prioritize reforms that directly support the U.S. military, exercise oversight to ensure both the risks and benefits of changes to the system are carefully considered and provide the mechanisms needed for implementation. AIA welcomes the opportunity to engage Congress on these important issues.

The Time is Now for Export Control Modernization



Aerospace Industries Association

1000 Wilson Boulevard, Suite 1700, Arlington, VA 22209-3928

703-358-1000 ■ www.aia-aerospace.org

Founded in 1919 shortly after the birth of flight, the Aerospace Industries Association is the most authoritative and influential trade association representing the nation's leading manufacturers and suppliers of civil, military, and business aircraft, helicopters, unmanned aircraft systems, space systems, aircraft engines, homeland and cybersecurity systems, materiel and related components, equipment services and information technology.

For more information on export controls, please go to the export control page under the issues tab on our website: www.aia-aerospace.org

AIA Contacts: *Remy Nathan*, Assistant Vice President, International Affairs 703.358.1072, remy.nathan@aia-aerospace.org ■ *Michael Berger*, Director, Legislative Affairs, 703.358.1062, michael.berger@aia-aerospace.org

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