



**Aerospace Industries Association Summarized Submitted Comments:
Space-Related Export Control Rulemaking to Directorate of Defense Trade Controls and
Bureau of Industry and Security**

December 19, 2024

OVERVIEW:

The U.S. aerospace and defense (A&D) industry serves as a symbol of U.S. global trade leadership and technological innovation. In 2023, the industry exported \$135.9 billion of goods to partners and drove global market competitiveness. As the space industry continues to grow at a rapid pace, the Aerospace Industries Association (AIA), representing more than 300 companies in the A&D sector, welcomes the opportunity to submit comments to the Directorate of Defense Trade Controls (DDTC) and Bureau of Industry and Security (BIS) on space-related export control revisions to the International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR), respectively.

As the rate of change in next technology is steep, the proposed revisions are a positive step towards modernizing space-related export controls. The A&D industry is committed to working with DDTC and BIS to create clear and consistent export controls that ensure the U.S. space industrial base remains competitive and responsive to the commercial market and critical military and intelligence needs. AIA and our members have provided recommendations to DDTC and BIS to ensure controls maintain national security interests and further promote U.S. commercial space leadership and technology development.

SUMMARY RECOMMENDATIONS:

- 1. Ensure controls accurately reflect Missile Technology Control Regime (MTCR) commitments and determinations.**
 - As written, DDTC's proposed rule controls technology that is no longer listed in the MTCR's technology annex, is not controlled by other MTCR partner nations, or includes language that may create confusion among industry regarding MTCR determination of articles.
 - Attention should be placed on unmanned aerial vehicle (UAV) rocket propulsion systems, "specially designed parts and components" of separation systems and staging mechanisms, and UAV airborne launching systems.
- 2. Further revise the U.S. Munitions List (USML) to reflect U.S. innovation and the global commercial market.**
 - Technical parameters for classifying commercial space technology should reflect what is available on the commercial market to ensure U.S. companies are not at a disadvantage.
 - DDTC and BIS should continue to work with industry to review space articles to identify differences between civilian and military applications of technology.
- 3. Define terms clearly in the USML and § 121.0 to ensure they reflect widely recognized understandings of space technology.**
 - Proposed definitions of terms provide clarity and support interpretation and adoption from industry. This effort to provide clear definitions should be further expanded and reflect the A&D industry's understanding of space technology and spaceflight.

- 4. Provide clarity on proposed USML changes to avoid misinterpretation.**
 - Given the scope of changes, industry would benefit from further review on certain USML paragraphs to ensure the intended controlled technology is clearly stated and understood.
 - Misinterpretation may be avoided through minor reclassifications, further defining controlled articles, and ensuring references are aligned and clear.
- 5. Expand § 126.8(d) licensing provision to include ITAR-controlled software integrated into EAR-controlled software.**
 - To strengthen civil space-related exemptions, § 126.8(d) should align so that spacecraft subject to the EAR are not controlled by the ITAR if defense articles are incorporated.
- 6. Create an exemption for U.S. companies currently manufacturing EAR-controlled technology abroad.**
 - Proposed controls of technology currently controlled by the EAR may result in companies now needing DDTC authorization and Congressional Notification for articles produced abroad due to offset agreements or industrial base investments.
 - DDTC and BIS should work with industry to review the scope of controls, develop necessary exemptions, and ensure current EAR-controlled articles are not impacted.
- 7. Ensure EAR and ITAR are streamlined through minor revisions**
 - To ensure consistency across ITAR and EAR, DDTC and BIS should coordinate on proposed changes to ensure references are correct and misunderstandings are mitigated.
- 8. Delay Implementation Period**
 - Given the scope of changes to ITAR and EAR, AIA recommends DDTC continue to work with industry and delay implementation period for three-years to ensure compliance.