

2014 Export Control Reform – New Opportunities for the U.S. Space Industry

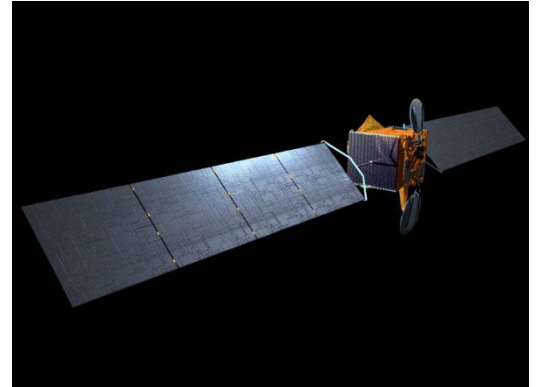
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On November 10, 2014, the U.S. Department of State and the U.S. Department of Commerce finalized the coordinated implementation of export control reforms related to satellites, spacecraft, ground systems and related hardware that had been sought for industry for over a decade. These changes open new international sales opportunities for U.S. manufacturers of space technology.



Background

Since 1999, U.S. satellite system and component manufacturers had faced significant hurdles in pursuing overseas sales of their products. In that year, the Defense Authorization Act moved essentially all satellite products from Export Administration Regulations (EAR) control to International Traffic in Arms Regulations (ITAR) control. ITAR is administered by the State Department, EAR by the Commerce Department. This move had the effect of virtually eliminating the opportunity for U.S. companies to export satellite technology. Since then, many manufacturers have focused exclusively on U.S. government and commercial sales strategies, and have regarded efforts at international sales as a fruitless exercise.

A New Export Control Regime

The reforms of 2014 do not reverse the 1999 decisions. Rather, they create a new, more flexible, but more complex international sales environment. Certain items that were moved to the United States Munitions List (USML) in 1999 remain under ITAR control today. Many other items have been moved to the Commerce Control List (CCL).

Sixteen critical items remain on the USML, including control moment gyroscopes, mechanical cryocoolers, active vibration systems, certain orbit adjust thrusters, antennas with particular capabilities and optics with particular properties. Services remaining on the USML include satellite integration and launch services, integration of any satellite to a launch vehicle and launch failure analysis.



Items transferred to the CCL include commercial communications satellites, lower performance remote sensing satellites, planetary rovers and planetary probes. For these systems, ground control systems, training simulators, test equipment, certain non-critical software, and non-critical technology and knowhow for development, production, installation, operation and maintenance are now also on the CCL. Thousands of parts and subsystems for satellites and payloads not explicitly on the USML have been moved, including radiation hardened microelectronics.