

# Talking export controls with **PATRICIA COOPER**

**WorldECR:** Recent relaxations of export controls on satellite parts and components have potentially huge repercussions both for U.S. exporters and non-US buyers. How is the SIA marketing those changes outside of the United States?

**Patricia Cooper:** In addition to the customer outreach that satellite manufacturing companies are undertaking, SIA is working with other industry organizations to highlight the opportunities the regulatory reforms present for U.S. satellite and space trade and collaboration, using industry conferences, trade press and other educational fora. The Administration is also speaking widely on their next steps to implement the new law in a timely way.

**WorldECR:** As part of the continuing export control reform, Congress has given the President the authority to transfer commercial satellite components controlled under ITAR to the EAR. But can, for example, non-U.S. consumers be reassured that the transfer makes their purchase of U.S. components substantially easier – or are they likely to confront ‘ITAR’-like issues albeit under an EAR-regulated system?

**Patricia Cooper:** SIA does think that the recently passed export control reforms will ease trade in many U.S.-made components by allowing the export control regulatory regime to reflect the sensitivity of the items. Certainly, the two U.S. export control regimes, the EAR and ITAR, have quite different structures, reflecting their fundamentally different purposes. For example, the EAR presumes that items will be approved for trade, unless there is a red flag about the country or recipient involved while, because it governs the more sensitive items, the ITAR has a presumption of denial unless the export is judged to be in the foreign policy interest of the United States. The EAR licensing process is generally shorter than the ITAR’s, in part because ITAR applications require a more complicated inter-agency review and often congressional notification by both the State and Defense departments. The EAR



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SIA is a Washington D.C.-based trade association representing the leading global satellite operators, service providers, manufacturers, launch services providers, and ground equipment suppliers. Since 1995, SIA has described itself as ‘the unified voice of the satellite industry on policy, regulatory, and legislative issues affecting the commercial satellite industry’. It actively promotes the benefits and uses of commercial satellite technology and its role in national security, homeland security, disaster relief and recovery, and the global information infrastructure and economy.

process also generally has a lower degree of uncertainty than under the ITAR, a benefit to industry. It is not unusual to find contract terms that hold U.S. suppliers responsible for the cost of delivery delays due to ITAR compliance, so regulatory efficiency and certainty can play a real factor in U.S. competitiveness.

**WorldECR:** The European space industry is reported to have invested some \$1.5bn in developing space-related parts and components. Is there a justifiable concern that U.S. export controls have held the U.S. back from maintaining its lead in the ‘new space race’? If so, are the recent reforms sufficient to enable the U.S. industry to make up time?

**Patricia Cooper:** The U.S. satellite and space industry remain global technology and innovation leaders, but the ‘one-size-fits-all’ ITAR rules did give our competitors a regulatory advantage. Once the new law is implemented, we will be able to compete internationally on our experience and capability, without the differentiator of ITAR. The technological sophistication and dynamism that have long been the hallmarks of the U.S. space industry remain, and we are excited to see what the future holds for our member companies.

**WorldECR:** One of the greatest potential markets for manufacturers lies in exporting parts to Europe for manufacture and assembly of satellites which will be sold on to developing

nations such as India, Argentina, Brazil, and Indonesia. Given past purchasing concerns due to ITAR, will the changes be sufficiently different to encourage foreign manufacturers to once again select U.S. space components for satellite programmes in these countries?

**Patricia Cooper:** I do think the legal changes in U.S. satellite export policies signal a commitment to participating in – and leading – the global space community. Satellite buyers look for a variety of factors in their suppliers, including price, performance, and reliability, all areas where U.S. companies have long excelled.

**WorldECR:** What single reform or change would be most welcomed by your members?

**Patricia Cooper:** The fundamental tenet of the recently passed reform is to allow the regulation to the sensitivity of the item – this will require a dynamic understanding of satellite and space technology on the part of the U.S. export control regulators. We in industry will want to contribute to that understanding of satellite technology and to the eventual determination of what space and satellite items should be moved out of ITAR control. Timely implementation of the legislation will be absolutely crucial for our industry in order to capitalize on the benefits in the marketplace, but the legislative reforms lay the path that will offer relief to virtually every corner of the U.S. space community.