



RETURN AUTHORITY TO SET EXPORT LICENSING PROCESS FOR SATELLITES TO EXECUTIVE BRANCH

April 2009

Why This is a California Issue

- Three of four major U.S. satellite manufacturers build satellites in California – Boeing, Lockheed Martin, and Space Systems/Loral
- CA satellite manufacturers provide more than 62,500 high-skill, high-income jobs

Background Information

- Purpose of export licensing is to support national security by preventing the transfer of “critical U.S. technology” to non-friendly nations
- Congress transferred jurisdiction for export licensing of all satellites from Commerce Dept. to State Dept. in 1999
 - o Satellites only commodities on U.S. Munitions List for which export licensing is mandated by law rather than regulation
 - o Executive Branch therefore has limited discretionary authority re: export licensing
- Since 1999, other nations have increased their capabilities to produce satellites
 - o Thales Alenia now offers “ITAR-free” satellites
 - o Germany, India, and Russia have also increased capabilities
 - o Other nations now selling satellites with increased capabilities to non-friendly nations

Adverse Effects of Current Export Licensing Process

- Impedes national security by limiting industrial base
 - o Testimony of Gen. Kevin Chilton, Commander, U.S. Strategic Command, to House Committee on Armed Services – March 17, 2009
 - o “Health of the U.S. Space Industrial Base and the Impact of Export Controls” – Center for Strategic and International Studies (CSIS) - 2008
- Decreases U.S. market share and U.S. jobs
 - o U.S. market share fallen from 65 percent in 1998 to 40 percent in 2008
 - o Small and medium sized businesses significantly harmed

Requested Congressional Actions

- Adopt legislation that would return authority to set export licensing policy for satellites and related items to the Executive Branch
 - Significantly increase ongoing efforts to make ITAR licensing process more efficient, timely and predictable
 - Revise U.S. Munitions List to focus on only “critical U.S. technology”

California Space Authority, Inc.

Administrative Office • 3201 Airpark Drive, Ste. 204, Santa Maria, CA 93455 • (805) 349-2633 office - (805) 349-2635 fax
Capital Office • 1107 Ninth Street, Ste. 1005, Sacramento, CA 95814 • (916) 551-1543 office • (916) 551-1579 fax
Los Angeles Office • 3858 Carson Street, Ste. 110, Torrance, CA 90503 • (310) 316-3271 office • (310) 543-9886 fax
Pasadena Office • 150 East Colorado Ste. 302, Pasadena, CA 91105 • (626) 440-0565 office • (626) 440-0566 fax
San Bernardino Office • 294 South Leland Norton Way, Ste. 3, San Bernardino, CA 92408 • (909) 382-7300
San Diego Office • 1870 Cordell Court, Ste. 202, El Cajon, CA 92020 • (619) 562-3400

www.californiaspaceauthority.org