November 7, 2014

U.S. Department of Commerce
Bureau of Industry and Security
Regulatory Policy Division, Room 2099B
14th Street and Pennsylvania Avenue, NW
Washington, DC 20230

RE: **RIN 0694-AF87**

Dear Sir/Madam:

The Aerospace Industries Association (AIA) and our member companies appreciate the opportunity to comment on the proposed amendments to the International Traffic in Arms Regulations (ITAR) as they pertain to the U.S. Munitions List (USML) Category XV (Spacecraft Systems and Related Equipment).

AIA is the industry leading association representing major aerospace and defense manufacturers and suppliers in the United States. Our member companies include both satellite manufacturers and commercial spaceflight vehicle manufacturers and operators. Given the broad and diverse makeup of AIA, we have observed from a number of our member companies, as well as outside organizations, a variety of different approaches to clarifying key aspects of the new Category XV and the companion Department of Commerce controls.

Paragraph (a) of Category XV includes a wide variety of spacecraft, with subparagraphs 1-13 attempting to identify those most sensitive items that warrant continued control on the USML. AIA member companies deal with many types of spacecraft, with some companies supporting a wide range of spacecraft, while others only deal with one type of spacecraft. While most subparagraphs in paragraph (a) are specific and nuanced, certain paragraphs, such as (a)(12), inadvertently capture nearly the entire space industrial base. Without further clarification, paragraph (a)(12) will likely indiscriminately capture the full range of spacecraft built and operated by U.S. industry.

Given that AIA represents different aspects of the space community, we have observed a diverse set of views regarding the best approach to clarifying controls on spacecraft, satellites, and space vehicles. As we have worked with different member companies, we find that proposed solutions to controls for some types of spacecraft, such as commercial spaceflight vehicles, are unique to those vehicles and are not necessarily the most appropriate controls for other spacecraft systems, such as commercial satellites.

As an example, a proposed solution to (a)(12) proffered by the commercial spaceflight industry suggests that individual Commodity Jurisdiction (CJ) determinations be made on a case-by-case, vehicle-by-vehicle basis. While this approach may be appropriate for standardized

technologies used on multiple occasions for spaceflight missions, it is ineffective in identifying "bright line" controls for commercial satellite technologies customized to meet international customer requirements. Commercial space manufacturers have raised concerns that the overreach of (a)(12) could be construed to capture all commercial satellites with engines that raise the satellite to its orbital slot and which are not used for attitude control. Most commercial satellites have such engines. A note that the controls were not intended to control commercial/civil/scientific satellites would likely be sufficient to address such concerns.

Accordingly, AIA concludes that multiple clarifications may be necessary to ensure that the new export control parameters for space technologies do not inadvertently undermine the objective of moving commercial space items to the Commerce Control List. Given the nuances of this topic, AIA welcomes the opportunity to engage with the U.S. Departments of Commerce and State and other U.S. agencies to ensure that the new export controls protect critical space technologies, promote a healthy and vibrant U.S. aerospace industrial base, and enable U.S. companies to be more competitive in the international commercial space market.

Thank you for the opportunity to comment on the proposed regulatory change to Category XV. We look forward to our continued partnership with the U.S. Government on this and other export control reform issues.

Best regards,

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