

US COMMERCE DEPARTMENT ANNOUNCEMENT TO MODERNIZE SPACE- RELATED EXPORT CONTROLS SEEKS TO BLEND COMMERCIAL DEVELOPMENT WITH NATIONAL SECURITY

On October 17, 2024, the US Department of Commerce, Bureau of Industry and Security ("**BIS**"), [released three rules](#) aiming to modernize space-related export controls. BIS touted these changes as crucial for promoting US innovation and technological leadership while protecting US national security and foreign policy interests. These important rule changes follow surveys, engagements, and recommendations from both the private and public sector as BIS works to "*keep pace with today's commercial space innovation and foreign policy environment . . .*"

SUMMARY OF KEY CHANGES

The below updates stem from a National Space Council directive to streamline space-related export controls:

- **Final Rule:** Amends the Export Administration Regulations ("**EAR**") by removing license requirements for exports and reexports of certain remote sensing and space-based logistics items destined for Australia, Canada, and the United Kingdom. The aim is to facilitate secure trade of spacecraft and related items with these members of the "*Five Eyes*" intelligence-sharing alliance.
- **Interim Final Rule:** Eases export restrictions on certain spacecraft and related items, removing license requirements for over 40 allies and partners and reducing such requirements for less sensitive components for most destinations. It also broadens license exceptions to support National Aeronautics and Space Administration ("**NASA**") cooperative programs. The dual aim of this interim rule is to facilitate closer space collaboration while refining and clarifying existing controls.
- **Proposed Rule:** Suggests transferring certain space-related defense articles that no longer provide a special military or intelligence advantage

from the US Munitions List (maintained by the US State Department) to the Commerce Control List (maintained by the US Commerce Department). According to BIS, moving items to the Commerce Control List typically offers more flexibility due to the availability of EAR license exceptions and differences in license application requirements. The aim of this rule, proposed in concert with the US State Department, is to facilitate exports of commercial space items to allies and partners through more streamlined BIS license exceptions.

IMPLICATIONS FOR STAKEHOLDERS

For business and industry, these changes may reduce regulatory burdens, streamline processes, and promote more efficient cross-border trade and technology sharing of both sensitive and less-sensitive space-related items. To ensure compliance, companies should review the new rules to understand and incorporate expanded license exceptions and updated requirements. In addition, companies should implement internal training programs to educate staff on these new license requirements and strengthen related compliance protocols.

For BIS, the rule changes reflect its efforts to blend several priorities: controlling access to sensitive technologies by adversaries; promoting innovation and technological development; and fostering closer collaboration with allies and partners, including with "Five Eyes" alliance members. The current administration expects these updates to help the United States maintain its competitive edge in the space industry both from a commercial and national security perspective.

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