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# President Obama Orders Broad Review of Export-Control Regulations

By  
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[The following article originally appeared in *Defense News*, 14 August 2009]

After years of battling complicated, costly and constrictive export controls with limited success, the U.S. defense industry may have found a new ally: President Barack Obama. The president has ordered a “broad-based interagency” review of U.S. export control regulations, including those that govern dual-use and defense items, the White House announced August 13, 2009.

The aim of the review is to consider reforms to the system to enhance national security, foreign policy and economic security interests of the United States, said a statement released by the White House.

“This is a very welcome development,” said Marion Blakey, president of the Aerospace Industries Association (AIA). The group has spent years pressing the Department of State (DOS), Department of Commerce (DOC), and the Congress for export control reforms. Among other things, the AIA rails about the *U.S. Munitions List*, which restricts the export of thousands of items. Restrictions apply to items with obvious military utility, such as ballistic missiles, but also to those that are widely available on the world market, such as rivets, wires and bolts. The list also restricts exports of technology that was originally developed for the military but now is commonly used for civilian purposes, said Remy Nathan, AIA’s vice president for international affairs.

## **Available to Civilians**

Certain GPS receivers, for example, are among the controlled items, Remy Nathan said. Although invented for military use with the Global Positioning Satellite system, such receivers now are used by civilians for the following:

- Direction finders while driving, hiking or boating
- For surveying and map-making
- For tracking individuals, vehicles, and wildlife
- For other purposes

Similarly, night vision technology invented for the military is available to civilian motorists, pilots and law enforcement agents.

Commercial satellites are a particular sore point for the AIA. Export restrictions tightened in 1999, when satellites were put on the munitions list. The move prompted foreign countries and companies to develop their own satellite industries, cutting the U.S. market share from more than 70 percent to 25 percent by 2005, according to the Center for Strategic and International Studies.

Details about Obama’s export rules review are scant. A senior administration official said August 14, 2009, the review “begins today” and will involve representatives from the DOS, Department of Defense (DOD), and DOC. No date has been set for the review to be completed. The current “crisis

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in the economy” and a need for U.S. industries to remain competitive in the world marketplace are key factors prompting the review, he said.

### **Move Beyond Cold War**

In the August 13, 2009 statement, the White House said U.S. export control rules are “rooted in the Cold War era of over fifty years ago and must be updated to address the threats we face today and the changing economic and technological landscape.” That may suggest that Obama favors an export rules overhaul. But Bill Reinsch, president of the National Foreign Trade Council, is unconvinced.

The president’s announcement is good news because export control reform is long overdue, Reinsch said. But export control reviews are frequently announced, occasionally begun, and never completed. The really good news will be when it is finished.

Reinsch headed export administration at the DOC during the Clinton administration.