

The Coalition for Security and Competitiveness

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Leading Business Groups Applaud Administration's Export Control Reform Initiative

Recommend Additional Reforms Aimed at Enhancing Security, Creating Greater Efficiency for America's Exporters

Washington, D.C. –The Coalition for Security and Competitiveness (CSC), a group of leading business organizations and companies yesterday wrote President Obama, commending the Administration's work on the Export Control Reform Initiative (ECR) and recommending additional reforms to enhance security and increase efficiency for U.S. exporters.

In the letter to the President, the Coalition wrote:

"CSC has supported, and continues to support ECR, and we welcome the recent publication of major regulations that will translate the large amount of work already done into tangible benefits for exporters. We urge the Administration to push forward and conclude this work by the end of 2013."

Additionally, CSC recommended 10 reforms for consideration as part of the Administration's ECR – all of which would help to make export controls more efficient for America's exporters, while enhancing national security.

The Coalition wrote: "[W]e have maintained from the beginning that reconciliation of the two lists, USML and CCL, should not be considered the final step in the project. There are a number of other badly needed reforms that lie outside the 'four singularities' which do not require statutory reform, although Congressional support would be beneficial in advancing these goals."

The recommendations include:

- Reduce the number of licenses for items that will remain on the U.S. Munitions List exported to our trusted allies and partners through an effective and efficient program license framework.

- Create an effective and efficient intra-company transfer license that allows trusted companies to exchange technology freely within their own organizations.
- Simplify and recalibrate encryption controls so that only a narrow positive list of encryption-related items is subject to control.
- Accelerate implementation of multilateral regime changes, including changing the country chart in the CCL to reflect the status of new members for all regimes.
- Establish a single entry portal and a single form for use with electronic interface or manual entry through which all license applications can be submitted and from where they can be redirected to the appropriate issuing agency.
- Ensure that there are adequate resources available for the agencies taking on new responsibilities, including the flexibility to use existing resources, so they can quickly and completely fulfill their new functions without increasing fees.
- Increase the utility of the United Kingdom and Australian Defense Trade Cooperation Treaties through consultation with industry in regular reviews of existing use criteria and updates of technology exclusion lists.
- Continue engagement with industry in dialogue to ensure focus on practical, achievable reforms and to maintain positive momentum for export control reform.
- Fundamentally reform high performance computer (HPC) export controls to take account of the following global technological and economic realities.
- Complete and publish a final rule for the definition of “defense services.”

CSC members include the Aerospace Industries Association, American Association of Exporters and Importers, The American League for Exports and Security Assistance, AMT – The Association for Manufacturing Technology, Business Roundtable, Coalition for Employment through Exports, General Aviation Manufacturing Association, Industrial Fastener Institute, IPC – Association Connecting Electronics Industries, Information Technology Industry Council, National Association of Manufacturers, National Defense Industrial Association, National Foreign Trade Council, Satellite Industry Association, Space Enterprise Council, Space Foundation, TechAmerica and U.S. Chamber of Commerce.

The full text of the letter to the President can be found

<http://d31hzhk6di2h5.cloudfront.net/20130509/3f/ce/33/07/8829fe99f0d88c41bcfb3c23/LObamaECRlist.513.pdf>.

About the Coalition:

The Coalition for Security and Competitiveness was launched on March 6, 2007, when it provided President Bush with initial recommendations for enhancing U.S. security and competitiveness through modernization of the export control system. Formed by eight leading associations, the Coalition seeks to modernize the export control system so that America is prepared to meet the security and economic challenges of the 21st century. More information about the coalition can be found online at www.securityandcompetitiveness.org.

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