

***Extension of ITAR Exemption to Qualified Countries***

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**Q: What does the exemption cover?**

A: The exemption would permit without a license permanent and temporary exports and temporary imports for defense articles and technical data. The exemption would permit the performance of defense services associated with the defense articles subject to the exemption. Those defense articles on the U.S. Munitions List that are eligible for the exemption would be similar to those eligible for the Canadian exemption. The exemption would also permit temporary import to the United States of defense articles (e.g., for training, joint exercises, maintenance and repair, etc.) with advance approval to re-export back to the country.

**Q: Can you be more specific as to what is excluded?**

A: There would be a limited list of sensitive articles and technical data excluded from the exemption (i.e., license still required). The ITAR exemptions are targeted to specific unclassified items and services. It is not contemplated that the exemptions would apply to exports of items controlled under the Missile Technology Control Regime or Nuclear Suppliers Group or Australia Group, or to other sensitive or classified items or technologies.

**Q: Can any country take advantage of this exemption?**

A: We expect that agreements can be reached with the UK and Australia first, because we believe their systems are the closest to meeting the U.S. standards for congruent and reciprocal systems of export control, industrial security law enforcement and intelligence and reciprocal access to defense markets, and early success here is most probable. But the exemption would be available to any ally that is willing to “level up”. Globalization can set high standards for countries to meet in security. But we are willing to share more technology with countries that put in place and actually implement such higher standards on export controls and other areas.

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**Q: Why create a new exemption to the ITAR?**

A: Extending exemptions, which are limited to unclassified items and services, to qualified countries will enhance technology security by allowing the USG licensing system to focus on higher risk license applications. It will enhance NATO interoperability by facilitating cooperation on defense equipment between our defense industries, who have strong business incentives to promote interoperability if they are enabled to do so it will also strengthen US military capabilities by enabling DoD to readily access the best technology abroad. Current approaches to export controls impede industrial cooperation and DoD's access to all of the capabilities of the foreign industry.

**Q: Are there other benefits to the exemption?**

A: An exemption can create a powerful incentive for other allied governments to improve their export control system so that they too might one day enjoy the advantages. Our past practice of merely exhorting our allies to tighten loose export control systems without any tangible incentives has had limited effect. Many allied governments, however, will be strongly motivated to improve their systems if they believe doing so will lead to improved access to US markets and industrial cooperation.

**Q: What companies would be eligible to participate in approved countries?**

A: The approved entities/firms/persons would be those that had been approved by their own governments for participation in defense trade and/or were in compliance with their parent government's export control laws and regulations, had not been debarred or suspended or otherwise placed on any ineligible list by the USG or any foreign government with which the USG shares export enforcement information, and were not otherwise somehow ineligible to participate in defense trade.