

Major Program Authorization

Q: How does this authorization differ from a Technical Assistance Agreement (TAA) or a Manufacture Licensing Agreement (MLA)?

A: While it is true that Major Program Authorizations will include letter authorizations like a TAA or MLA, these are much more comprehensive programs with a significantly longer life span than either a TAA or MLA.

Q: Why does this authorization only apply to NATO, Japan and Australian governments and firms?

A: U.S. law provides a statutory basis for extending these initiatives to NATO, Japan and Australia. Under the Arms Export Control Act (AECA), congressional notifications for these countries are set at 15 days, vice 30 days for others.

These countries are major U.S. defense trading partners. NATO, Australia, and Japan accounted for 51.2% of the commercial export work load or \$13.68 billion in export applications, (NATO: 34%, Japan: 11%, and Australia: 6%). All of the other countries combined accounted for the remaining 48.8% of the overall \$26.71 billion worth of commercial export applications for 1998.

Q: Why is this program limited to only include the transfer of defense goods and services from a single registered U.S. OEM?

A: While the program limits the number of participants; it allows for multiple product lines to be delivered. A Major Program License between a U.S. and foreign defense firm could for example cover a joint aircraft venture where product lines ranging from spare parts to airframes could all be included in the authorization. If clearly defined, U.S. OEM could also supply foreign subcontractors.

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Q: How does the U.S. OEM define the parameters of the broad commercial program? What criteria do they need to provide Office of Defense Trade Controls (ODTC)?

A: DTC will require that U.S. OEMs provide all phases of necessary program support (planned exports (including re-exports) of defense articles, defense services, and technical data, development, manufacturing, and logistic support). DTC will provide program criteria per request.

Q: Doesn't this license impede our ability to protect U.S. national security?

A: No. To the contrary, as last year's NATO Washington Summit made clear, we believe that interoperability and technology exchange with our allies is essential for U.S. national security. This exchange is crucial if we are to promote a NATO coalition warfighting doctrine and close the growing defense capabilities gap between us and our allies.

Remember, this program involves significant USG participation in its development and implementation. The programs are U.S. sanctioned and are horizontal in practice (i.e. single U.S. OEM to an Allied govt. or Allied company). Liability is limited to a small number of program participants thus easing the USG compliance and enforcement burden.