

REFORM EXPORT CONTROLS, DOUBLE EXPORTS, CREATE JOBS

Antiquated Systems Undermine National and Economic Security

The National Academies report, *Beyond Fortress America*, concluded that, “The export controls and visa regulations that were crafted to meet conditions the United States faced over five decades ago now quietly **undermine** our national security and our national economic wellbeing.” Noting that a system designed for the Cold War when the U.S. was the dominant economic power is ill suited to today’s security challenges and global economy.¹ The industry applauds the Administration’s review of the U.S. export control system, and is eager to work with the government to reform this system.

Overly Restrictive Export Controls Slow Innovation and Give Advantage to Foreign Competitors

Excessive restrictions stifle the ability of American companies to compete with foreign competitors that do not bear the same export-related administrative and bureaucratic burdens. Time to market is critical in international competition, and delays and backlogs, even of a few days, force buyers to look elsewhere.

Therefore, as part of its export control reform efforts, the Administration should, to the greatest extent possible, promote international trade while maintaining export controls on only those items and technologies that are of critical military, intelligence and national security importance.

To this end, the following principles should guide the Administration’s export reform efforts:

- Concentrate on those items that have strategic significance to U.S. security interests.
- Do not attempt to restrict those items that by volume or distribution are not susceptible to control.
- For all but the most dangerous munitions, do not impose export controls in the face of foreign availability or capability.
- Establish control lists that set forth precise, objective and positive criteria with respect to items subject to control.
- Simplify the licensing process (e.g., license applications, commodity justifications, classification request, advisory opinions, etc.) to maintain efficiency, transparency and predictability.
- Seek to apply export controls on a multilateral and uniform basis.

KEY FACTS

- Semiconductors are America’s largest export.
- 82% of U.S. semiconductor sales are outside the United States.
- China is the largest semiconductor market in the world, importing more than 50% of global semiconductor shipments.

“Going forward, we will have a single, tiered, positive list – one which will allow us to build higher walls around the export of our most sensitive items while allowing the export of less critical ones under less restrictive conditions.”

President Obama
Export Control Reform
Conference
August 31, 2010

“While the United States remains a world leader in advanced science and technology, it no longer dominates; it is now among the leaders. We are increasingly interdependent with the rest of the world. ... Instead of promoting engagement, the United States is required by our current system of controls to turn inward.”

The National Academies
“Beyond ‘Fortress America”

1. *Committee on Science, Security, and Prosperity; Committee on Scientific Communication and National Security; National Research Council; Beyond "Fortress America" National Security Controls on Science and Technology in a Globalized World, (2009).*