



INTERNATIONAL
TRADE
ADMINISTRATION



2025 Defense Export Handbook

**Defense Trade Overview, Navigating the Regulatory Environment,
Export Promotion, and Resources**

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Industry & Analysis (I&A) is part of the International Trade Administration (ITA) at the U.S. Department of Commerce. ITA's mission is to create prosperity by strengthening U.S. competitiveness, promoting trade and foreign investment in the United States, and ensuring fair trade and compliance with trade laws and agreements.

The industry and economic analysts along with trade specialists in I&A devise and implement international trade, investment, and export promotion strategies that strengthen the global competitiveness of U.S. industries. These initiatives unlock export and investment opportunities for U.S. businesses by combining in-depth quantitative and qualitative analysis with ITA's robust global network covering every sector of the U.S. economy.



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Table of Contents

Disclaimer	2
Preface.....	4
Overview of Defense Trade	4
The “How” of Defense Trade	8
Step One: Identifying Opportunities and Understanding the Market	11
Step Two: Determine Export Controls and License Requirements	12
Other Agencies or Entities Involved in Export Controls	18
Step Three: Export Promotion	18
Other Export Considerations.....	19
Addendum 1: Major Aerospace and Defense Trade Shows	21
Addendum 2: Additional Resources for U.S. Exporters	23

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Executive Summary

The *Defense Export Handbook* is a toolkit for U.S. defense exporters, particularly those who are new-to-market or new-to-export. In one place, this handbook provides an overview of U.S. defense trade policies, rules, and regulations that are inherent to the national laws governing the sale of U.S. defense products. Current U.S. exporters, or future exporters, will find tips to navigate these policies and processes that help carry out defense trade opportunities.

Additionally, the handbook covers general things to consider as a U.S. exporter when evaluating international markets, such as resources for market research and export promotion opportunities. I&A assembled a listing of key U.S. government resources to help U.S. companies assess whether their defense exports align with U.S. government foreign and national security policy. The toolkit also directs exporters to contacts who can address export control, licensing, compliance, trade promotion, and other related questions.

The Department of Commerce is available to answer any questions regarding the content of this report or can direct questions to the appropriate agency or point of contact for further assistance. However, due to the complexities of international defense sales and in addition to the resources and points of contact identified herein, as a best practice, a U.S. defense company new to international markets is encouraged to consult with other resources such as law firms specializing in trade law or trade compliance experts before initiating an export program.

Preface

Global defense spending continues to rise. Recent data shows a steady trend upwards of worldwide defense spending despite economic disruptions from the COVID-19 pandemic. In 2020, worldwide defense spending hit a new record nearing \$2 trillion (U.S. Dollars)¹, and in 2022, that record was beaten at \$2.24 trillion (U.S. Dollars), indicating a commitment by global actors to bolster their defense capabilities². The United States remains the global leader for defense spending, but to keep pace with a rapidly evolving global security landscape, U.S. allies and partners are increasingly more focused today on growing their defense capabilities. This is resulting in historic funding and trade opportunities for U.S. industry.

To make the most of defense opportunities, companies should devise export strategies that evaluate foreign partner defense requirements, training needs and capabilities, and overall market demand with applicable export control laws, procurement processes, and program options in both the United States and abroad. Fundamentally, U.S. exporters need to know and understand the processes the U.S. government uses to transfer defense articles and services to partners and allies because such processes will apply for any U.S. defense company hoping to export.

Guidance in this report only covers defense trade broadly. For information about the permanent or temporary export of controlled defense articles and controlled technical data, please consult the Department of State's (DOS) Directorate of Defense Trade Controls' (DDTC) [website](#). Additionally, please consult DOS' Bureau of Political Military Affairs/Office of Regional Security and Arms Transfers (PM/RSAT) [website](#) for more information on Foreign Military Sales, Third Party Transfers, and Regional Security Policy.

¹ <https://www.janes.com/defence-news/news-detail/7-years-of-uninterrupted-growth-takes-global-defence-spend-to-usd1.9-trillion-says-janes>

² SIPRI. (April 24, 2023). Countries with the highest military spending worldwide in 2022 (in billion U.S. dollars) [Graph].

Overview of Defense Trade

The Laws

Defense trade between the United States and its foreign allies and partners is authorized and supported by various central statutes.

[Arms Export Control Act \(AECA\)](#), under the direction of the President of the United States, the U.S. Secretary of State is responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports of defense articles and defense services. Section 38 of the AECA provides the authority to control the commercial export of defense articles and defense services described on the U.S. Munitions List (USML). Executive Order 13637 delegates this authority to the U.S. Secretary of State. This authority has been further delegated to the Deputy Secretary of State for Defense Trade Controls in the Department's Bureau of Political-Military Affairs. DDTC is primarily responsible for administering and implementing these authorities through the International Traffic in Arms Regulations (ITAR). In Congress, the Senate Foreign Relations Committee (SFRC) and House Foreign Affairs Committee (HFAC) have jurisdiction over the AECA.

[The Foreign Assistance Act \(FAA\)](#)³ of 1961, as amended, serves as the cornerstone for the United States' foreign assistance policies and programs. For defense trade, the FAA is the foundation for military assistance programs and contingency funds administered by DOS. SFRC and HFAC have jurisdiction over the FAA.

[Title 22 U.S.C. Foreign Relations and Intercourse](#), among other items, authorizes a group of security assistance programs by which the U.S. government provides defense articles, military education and training, and other defense-related services to eligible foreign governments by grant, loan, credit, cash sales,

In *Statista*. Retrieved January 18, 2024, from

³ [11 \(congress.gov\)](#)

or lease. These programs again are administered by DOS and the SFRC and HFAC have oversight of Title 22.

[Title 10 U.S.C. Armed Forces](#), among other items, authorizes security cooperation programs by which the Department of Defense (DOD) interacts with foreign security establishments through transfer of defense articles and services, military-to-military exercises, military education, training, and advising, and capacity building of partner security forces.⁴ Security cooperation programs are administered by DOD. In Congress, the Senate Armed Services Committee (SASC) and House Armed Services Committee (HASC) have oversight of Title 10.

[Title 50 U.S.C. War and National Defense](#), and its Chapter 58 and [The Export Control Reform Act of 2018 \(ECRA\)](#), established the permanent authority of the U.S. Department of Commerce (DOC) to regulate defense trade for items and technology considered *dual use*. While SASC and HASC have oversight of Title 50 specifically, dual use export controls under the Export Administration Regulations (EAR) administered by the Bureau of Industry and Security (BIS) within DOC fall under the jurisdiction of the Senate Committee on Banking, Housing, and Urban Affairs and HFAC. Moreover, DOC through ITA conducts export and foreign trade promotion activities. These activities fall under the jurisdiction of Senate Banking, Housing, and Urban Affairs and House Committee on Ways and Means.

These statutes lay the foundation for the United States' current export control and defense trade system, and export promotion services.

Things to Consider: A key difference between statutes supporting U.S. defense trade is not just jurisdictional but relates to appropriations and funding for such activities. Funds for Title 22 security assistance programs are separate appropriations from Title 10 security cooperation programs. Moreover, a significant amount of defense trade is not funded by U.S. Title 22 nor Title 10 appropriations. Funding impacts how the U.S. government carries out defense trade given there are

specific requirements associated with the various types of funding lines.

Outside of the statutes, defense exporters should be aware of broad Executive Branch strategies, policies, regulations, and how Congressional oversight impacts defense sales.

The Strategies

For the Executive Branch, each Administration develops national strategies that establish a set of overarching objectives guiding stakeholder agencies' activities and providing direction for the strategies' implementation. Regarding defense trade, three key Executive Branch strategies are valuable to understanding the broader strategic landscape and the Administration's priorities for U.S. policy.

[The U.S. National Security Strategy](#) (NSS) is a report mandated by Section 603 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433). Since 1987, the President annually transmits the NSS to Congress to communicate the executive branch's national security vision to the legislative branch. The NSS provides discussion on proposed uses of all facets of U.S. power needed to achieve the nation's security goals. The report includes a discussion of the United States' international interests, commitments, objectives, and policies, along with defense capabilities necessary to deter threats and implement U.S. security plans. Review the most recent NSS on the White House [website](#).⁵

[The U.S. National Defense Strategy](#) (NDS) states the Department of Defense's role in implementing the President's NSS. In Section 941 of the National Defense Authorization Act for FY2017 (Public Law 114-328), and in accordance with the National Security Act of 1947, Congress officially replaced the Quadrennial Defense Review with the NDS. The Office of the Secretary of Defense (OSD) prepares the NDS which is published every four years. The report outlines how the DOD will contribute to achieving NSS objectives to maintain security and prosperity worldwide. The NDS outlines the global

⁴ [Defense Primer: DOD "Title 10" Security Cooperation \(fas.org\)](#)

⁵ [National Security Strategy \(defense.gov\)](#)

strategic environment, force posture, and the role of the United States in global security. Review the most recent NDS on DOD's [website](#).⁶

[The U.S. National Export Strategy](#) (NES) outlines priorities and actions that the U.S. government is pursuing to better equip American companies and workers to compete globally and grow through international trade. The Department of Commerce administers the NES. Review the most recent NES on DOC's [website](#).⁷

Policies, Regulations, And Multilateral Export Control Regimes

Various policies, regulations, and multilateral export control regimes manage the defense trade ecosystem.

The Conventional Arms Transfer (CAT) policy provides a framework under which U.S. Government agencies review and evaluate proposed arms transfers. The CAT Policy is guided by two fundamental tenets: to support transfers that meet the legitimate security requirements of our allies and partners in support of our national security and foreign policy interests; and to promote restraint, both by the United States and other suppliers, in transfers of weapons systems that may be destabilizing or dangerous to international peace and security.

Administrations have long issued such guidance to the Executive Branch agencies, dating back to the first CAT Policy established by the Carter Administration in 1977, and through several subsequent iterations promulgated by the Reagan, Clinton, Obama, Trump, and Biden Administrations. Despite various iterations, arms transfers have remained an important tool for achieving U.S. foreign policy and national security objectives.

Although CAT policies tend to not vary widely between presidential administrations, U.S. companies should closely watch policy updates to understand the resulting impact on defense transfers. The CAT

policy is developed through interagency coordination and can be found [here](#).

[Unmanned Aerial Systems \(UAS\) Export Policy](#)⁸ is a U.S. policy on the export of UAS that applies to all U.S.-origin UAS transfers, whether under the authority of the ITAR's U.S. Munitions List (USML) or the Export Administration Regulations' (EAR) Commerce Control List (CCL). With advancements in UAS technology and growing global demand, the UAS Export Policy was released to specifically address these capabilities.

Separate yet fundamental and critical for U.S. defense exporters are the ITAR and EAR. Typically, the most well-known elements of defense trade among industry, the ITAR and EAR are U.S. government regulations for the control of exports of defense articles and defense services and dual use items respectively. DOS administers the ITAR and DOC administers the EAR as further described in Step Two: Determine Export Controls and License Requirements.

The International Traffic in Arms Regulation (ITAR) The ITAR (22 CFR parts 120-130) governs the manufacture, export, and temporary import of defense articles, the furnishing of defense services, and brokering activities involving items described on the USML (ITAR section 121.1). The ITAR is regularly updated and revised to reflect changes in technological developments and in U.S. national security and foreign policy interests. The Department of State is responsible for the export and temporary import of defense articles and services governed by 22 U.S.C. 2778 of the Arms Export Control Act (AECA) and Executive Order 13637. That section of the AECA is implemented by the International Traffic in Arms Regulations (ITAR," 22 CFR parts 120-130). The ITAR is available from the Government Printing Office (GPO) as an annual hardcopy or e-document publication as part of the Code of Federal Regulations (CFR) and as an updated e-document.

⁶ [National Defense Strategy](#)

⁷ [National Export Strategy \(trade.gov\)](#)

⁸ [U.S. Policy on the Export of Unmanned Aerial Systems - United States Department of State](#)

The Electronic Code of Federal Regulations (e-CFR) is a regularly updated, unofficial editorial compilation of CFR material and amendments published in the Federal Register. The updated, but unofficial, version of the ITAR provided by e-CFR is linked [here](#).

The Export Administration Regulations (EAR)

The Export Administration Regulations (EAR) is authorized by the Export Control Reform Act of 2018 (ECRA), which replaced the Export Administration Act of 1979 (EAA) as the primary authority for U.S. export control regulations. The EAR also derives its authority from several other statutes and Executive Orders and is administered by the U.S. Department of Commerce's Bureau of Industry & Security (BIS).

The United States is a member to several multilateral export control regimes that inform U.S. export control policies and regulations.

[Missile Technology Control Regime](#)⁹ is an informal political understanding among international member states that seek to limit the proliferation of missiles and missile technology. MTCR seeks to limit the risks of proliferation of weapons of mass destruction (WMD) by controlling exports of goods and technologies that could contribute to delivery systems (other than manned aircraft) for such weapons. In this context, the MTCR places particular focus on rockets and unmanned aerial vehicles capable of delivering a payload of at least 500kg to a range of at least 300km and on equipment, software, and technology for such systems. The MTCR rests on adherence to common export policy (the Guidelines) applied to an integral common list of items (the MTCR Equipment, Software, and Technology Annex). Therefore, as a member, the United States reviews export license requests in consideration of its obligations to the MTCR. [DOS Bureau of International Security and Nonproliferation \(ISN\)](#) leads MTCR engagements and review processes.

[The Wassenaar Arrangement](#) on Export Controls for Conventional Arms and Dual-Use Goods and Technologies' purpose is to contribute to regional and international security and stability by promoting

transparency and greater responsibility in transfers of conventional arms and dual-use (i.e. those having civil and military uses) goods and technologies to prevent destabilizing accumulations of those items. The Wassenaar Arrangement establishes lists of items for which member countries are to apply export controls. Member governments implement these controls to ensure that transfers of the controlled items do not contribute to the development or enhancement of military capabilities that undermine the goals of the Arrangement and are not diverted to support such capabilities. In addition, the Wassenaar Arrangement imposes some reporting requirements on its member governments. Specific inquiries on the Wassenaar Arrangement can be addressed to BIS.

[The Nuclear Suppliers Group](#) is a group of 48 member countries established in 1992 and focused on stemming the proliferation of nuclear weapons. Specific inquiries on the Nuclear Suppliers Group can be addressed to BIS.

[The Australia Group](#) was prompted by Iraq's use of chemical weapons during the Iran-Iraq War (1980-1988). Australia, concerned with Iraq's development of chemical weapons, recommended harmonization of international export controls on chemical weapons precursor chemicals. As AG membership grew, controls expanded to chemical production equipment and technologies and measures to prevent the proliferation of biological weapons. Today the AG is composed of 42 member countries. Specific inquiries on the Australia Group can be addressed to BIS.

Congressional Oversight

Lastly, as part of a general overview, it is critical for U.S. exporters to understand Congress' oversight role and impact to defense trade. Pursuant to Section 36(b) of the AECA, the Executive Branch is required to formally notify the SFRC and the HFAC when a potential FMS sale meets or exceeds specified dollar thresholds. PM/RSAT officers work with PM leadership and DOD to make the required notifications, to include briefing Congressional staff on the potential arms sales and how they will serve

⁹ [Missile Technology Control Regime \(MTCR\) Frequently Asked Questions - United States Department of State](#)

U.S. interests. The AECA provides Congress 30 days to enact a Joint Resolution if it disapproves of a particular transfer. Therefore, Congress can weigh in on the outcome of defense trade opportunities. Please review this site for information on the Congressional Notification process for DCS: [Congressional Notifications](#). FMS sales are also notified to Congress and DOD's Defense Security Cooperation Agency (DSCA) publishes major arms sales on its website [here](#). Note these press releases only indicate DOS approval and notice of *potential*, not final sale.

The “How” of Defense Trade

The United States transfers defense articles to foreign partners in two primary ways: 1) government-to-government through Foreign Military Sales (FMS) and 2) licensed commercial exports known as Direct Commercial Sales (DCS), in which foreign partners purchase items directly from the private sector. These *modalities of sale* retain many similarities, but are not static in their implementation, and both may involve similar U.S. government interagency stakeholders. Defense exports to foreign partners may incorporate both FMS and DCS elements. These compilations are informed by a variety of factors including, but not limited to, foreign partner requirements or U.S. policy. Defense exports that contain both FMS and DCS elements are referred to as *hybrid cases*.

As a matter of U.S. policy, FMS and DCS do not compete as modalities of sale. Unless an item has been designated as *FMS-only*, DOD is generally neutral as to whether foreign partners purchase U.S. defense articles or services DCS or FMS. If a foreign partner requests information through FMS channels, like Pricing & Availability (P&A) data, the partner must demonstrate that commercial acquisition efforts have ceased before any data will be provided. If the partner obtains information through FMS channels and later determines to request a commercial price quote, the FMS data provided may be withdrawn.

The Foreign Military Sales Program

FMS is a form of security assistance authorized by AECA that DOS oversees, and the DOD implements. As referenced in the overview, FMS is a fundamental tool of U.S. foreign policy in support of U.S. national security and defense objectives. Additionally, FMS is considered a key way to build the capacity of U.S.

foreign allies and partners to encourage and enable them to respond to shared security and defense challenges. Within DOD, the [Defense Security Cooperation Agency \(DSCA\)](#) administers the FMS program, on behalf of DOS, in close coordination with the military services, DOD components, interagency, and U.S. industry.

In FMS cases, the foreign government purchaser may not deal directly with the manufacturer. Instead, the foreign government purchaser, typically a defense or security entity, contracts with the U.S. DOD, who then handles procurement, logistics, delivery, and often provides product support, training, and other infrastructure or technical support in coordination with U.S. industry. DOD provides a “total package approach” to ensure that foreign purchases include the full range of support and training required to operate and sustain the capability for the first few years. Sales are implemented through contract-like agreements called Letters of Offer and Acceptance (LOAs) between the U.S. government and an eligible foreign government purchaser. Separate contracts between the U.S. government and U.S. industry are established to fulfill the elements of the LOA. For complete information on FMS policies, procedures, and processes consult the [Security Assistance Management Manual](#).

The AECA requires that FMS be administered by the DOD on a no-profit and no-loss basis, and at no cost to the U.S. government. Therefore, FMS cases apply a 3.2% administrative fee to LOAs. Industry should consistently monitor DSCA's website for updates to the administrative fee.

U.S. exporters are eligible to use FMS if they are eligible to sell to DOD. However, before U.S. industry can compete for U.S. government contracts, companies must be registered in the System for Award Management (SAM) and have an active CAGE code. The U.S. Small Business Administration (SBA) has a list of steps [here](#).

Programs of Record or Non-Programs of Record
Programs of Record (POR) are acquisition programs directed and funded through Congressional appropriations that provide a new, improved, or continuing materiel, weapon, or information system

or service capability to the DOD. The military services and DOD components establish PORs to build the capacity, capabilities, and inventory of the DOD to meet the objectives laid out in National Defense Strategy and National Military Strategy¹⁰. As it relates to defense trade, through partnership with the U.S. military, foreign allies and partners often seek capabilities in the DOD inventory for interoperability among forces and common defense needs.

Non-Programs of Record (NPOR) refers to systems or capabilities outside DOD Program Objective Memoranda (POM). In response to the increased demand by foreign allies and partners for defense articles and services that may incorporate NPOR technologies, DOD, led by DSCA, established the NPOR Community of Interest (COI) and published a [handbook for U.S. industry](#) to support NPOR systems and capabilities into defense transfers.

Things to Consider: Under FMS, the U.S. government is committed to the Total Package Approach, including for NPOR systems. The Total Package Approach incorporates testing and evaluation, airworthiness, sustainment, and training among other offerings, and therefore NPOR transfers may invoke unplanned or un-resourced support by U.S. government entities that must be addressed prior to export. These requirements can impact cost, engineering, production, delivery schedules, or overall program timelines.

Export Control Considerations

Regardless of POR or NPOR status, defense systems, technologies, and capabilities for export are subject to export control policies and reviews conducted across the interagency. These reviews are also applicable regardless of modality of sale. As the regulators, DDTC and BIS are the recommended primary points of contact on export control questions.

Snapshot of the FMS Process

When a foreign government identifies a need for defense articles, services, or capabilities, it submits a Letter of Request (LOR) to the U.S. Government for either Price & Availability (P&A) data or for a Letter

of Offer and Acceptance (LOA). For LOR requirements, see [SAMM Chapter 5](#), but generally they must include detailed and specific information for the U.S. government to respond.

FMS Resources

Due to the complexities of the FMS process, [the SAMM](#) is essential reading. It provides extensive detail on all support agencies that assist in managing security assistance programs, the FMS process and procedures, and provides the most current policy guidance as it is frequently updated.

DSCA publishes several other resources on security cooperation programs worth exploring. Exporters should watch DSCA's [introductory video on the FMS process](#), as well as the video on [FMS for Small and Medium-Sized Businesses](#).

Key Support Agencies for FMS

Defense Security Cooperation Agency (DSCA)

DSCA is the lead agency for the execution of security cooperation programs. DSCA has many roles and responsibilities in security cooperation, the foremost being to administer the FMS program for DOS including handling the Letters of Request or Acceptance processing (LOR/LOA), managing trust funds, budget allocation, training and education, etc.

Questions about security cooperation programs administered by DSCA can be directed to dscan.cr.lmo.mbx.info@mail.mil or (703) 697-9709.

Other DoD Implementing Agencies

Implementing Agencies (IAs) are either Military Departments (ex. Army, Navy, Air Force) or Defense Agencies or Components (ex. Defense Logistics Agency, Defense Threat Reduction Agency) that are responsible for the overall management and execution of line items enumerated in the LOA. A list of IAs and their contact information can be found in the [SAMM](#).

Security Cooperation Offices (SCOs)

The U.S. Foreign Assistance Act authorizes the President to station U.S. military personnel overseas to manage security assistance programs administered

¹⁰ [National Military Strategy \(defense.gov\)](#)

by the DOD. SCOs respond primarily to host government requests and coordinate LORs. SCOs are available to provide some types of assistance to U.S. companies while remaining strictly neutral between U.S. competitors. Located in U.S. embassies overseas, they work cooperatively with the U.S. Department of Commerce's Foreign Commercial Service (FCS) representatives in country to assist U.S. suppliers.¹¹ To speak with U.S. government representatives in a target market, please start by reaching out to the local [U.S. Export Assistance Center \(USEAC\)](#) who can connect exporters to the responsible FCS officer (see: Step One).

[State Department's Office of Regional Security and Arms Transfers \(PM/RSAT\)](#)

PM/RSAT advances U.S. foreign policy and national security interests through its management of bilateral/multi-lateral political-military and regional security relations and the sale/transfer of U.S. origin defense articles and services to foreign governments. PM/RSAT has been charged with handling arms transfers and third-party transfers, disposal, and change of end-use involving U.S.-origin equipment procured via FMS and all government-to-government grant assistance programs. All third-party transfer (TPT) cases undergo an interagency review prior to PM/RSAT's recommendation of an approval or denial to the PM Assistant Secretary.

Contact the Foreign Military Sales Team at PM_RSATFMSTeam@state.gov

The Direct Commercial Sales (DCS)

When selling defense equipment via DCS, a foreign customer works directly with the U.S. company providing the end-item, technical data/information, or service.

Licensing DCS

The transfer process via export licensing for DCS is governed either by the 1) AECA and regulated by the ITAR or by 2) ECRA 2018 and regulated by the EAR. The export licensing system administered by DOS DDTC covers defense articles, defense services,

and technical data enumerated on the USML under the ITAR. The export licensing system administered by BIS covers dual use goods and technology (e.g., information) enumerated on the CCL under the EAR.

DCS Preference

In accordance with U.S. export control policies, U.S. companies may pursue DCS. The primary exception is the FMS-only list designated by the President and delegated to the Secretary of State under AECA which enumerates the military end-use items that must be sold government-government (i.e. FMS). In such cases where U.S. export control policies require FMS, when a company receives a request for proposal from a foreign government and would prefer a direct commercial sale, the company may request that DSCA issue a "DCS preference" for that sale. This means that if the DCS preference request is granted, DOD would not accept LORs for the item for one year to allow the sale to occur on a commercial basis. For more information, refer to section [C4.3.6](#) of the SAMM. Waivers for FMS-only requirements are available on a case-by-case basis; however, issuing waivers is not standard.

Things to Consider: Under DCS, if the foreign entity withholds payment, a company has no direct recourse to collect payment from the U.S. government. This is different from FMS, in which the U.S. government absorbs the risk of non-payment by the foreign partner and ensures payment to industry.

Selling FMS vs. DCS and Hybrid Sales

Deciding whether to sell via FMS or DCS, DOD is agnostic regarding the modality of sale for most transfers. An exporter can work with U.S. export control stakeholders and regulators to understand export restrictions. If an exporter is not the original U.S. manufacturer and is unsure, DDTC and BIS can be consulted.

Foreign governments are increasingly using a mix of FMS and DCS to purchase defense goods.¹² A common example is the purchase of an airframe via

¹¹ <http://www.samm.dsca.mil/chapter/chapter-2>; section C2.1 – Security Cooperation Organizations.

¹² "Foreign Customer Guide," published by DSCA, [DSCA Foreign Customer Guide](#)



DCS, with the related weapons, avionics, training, or other sensitive technologies purchased via FMS. Again, this approach is considered a *hybrid case*.

A U.S. exporter may benefit from coordination with the Foreign Commercial Service and SCO in the Embassy team as it pursues a DCS effort with a foreign partner to be aware of potential add-ons or training that may be happening in-country.

Things to Consider: The U.S. government can transfer defense articles through other means besides FMS or DCS, such as Presidential Drawdowns and Excess Defense Articles programs. Typically, these items are within the U.S. government inventory and industry may only be contracted, as necessary, to either restock or support the transfer (e.g., maintenance, repair, or overhaul services). The EDA program is a mechanism through which the DOD disposes of excess military equipment by providing it to allied and friendly nations on a grant or sale basis. PM/RSAT serves as the Department's point of contact on EDA issues and coordinates the approval of proposed transfers with DOD and the Department's regional bureaus.

The sections that follow will explain the steps to take when pursuing FMS or DCS.

Step One: Identifying Opportunities and Understanding the Market

U.S. companies seeking to export or enter new markets have a wide variety of programs and services available from several government departments and agencies. The best U.S. government entry point for these programs is the International Trade Administration (ITA) at the Department of Commerce.

Working with ITA

ITA includes local experts, industry experts, and country experts located across the United States and the globe to assist companies seeking to export.

Industry and Analysis (I&A)

ITA's Industry & Analysis division fosters U.S. industry competitiveness by deploying policy

strategies and trade tools to help industry compete on a level playing field. To increase defense trade and promote U.S. exports, the Office of Transportation and Machinery (OTM) conducts defense industry outreach, helps U.S. defense exporters address challenges and trade barriers, and serves as a key interlocutor for the interagency on industry's equities in a particular trade area.

In particular, [The Aerospace Team](#) is staffed by experts on various areas of the aerospace sector, such as defense, space, unmanned systems, general aviation aircraft, military aircraft, large civil aircraft, helicopters, and aircraft parts. This Washington-based team at DOC headquarters establishes policy to create or maintain access to markets overseas for U.S. aerospace and defense exporters.

The U.S. Commercial Service

The Commercial Services operates [U.S. Export Assistance Centers \(USEACs\)](#) throughout the United States to help companies on a local level, as well as [country desk officers](#) who can guide companies seeking resources within a specific industry or country.

With a robust overseas network of Commercial Officers and Commercial Specialists who can assist with finding potential customers, agents, distributors, and other strategic overseas partners, the [U.S. Foreign Commercial Service](#) is available to assist qualifying U.S. defense companies entering foreign markets. Commercial Specialists can also help qualifying U.S. companies with market research, aerospace trade leads, and trade events.

For general inquiries, contact DiscoverGlobalMarkets@trade.gov.

ITA's headquarters and field personnel are experts in each country's market and competition landscape, including the status of the local defense industry. ITA also publishes [analyses](#) on the ease of doing business, local content requirements, offset policies, and other trade regulations and policies.

Working in-country can also be an advantage for both U.S. companies and the U.S. government since relationship building is key to partnering and trading. Becoming a global defense exporter usually entails a global supply chain, local capabilities, local

partnerships, alliances, and potential joint ventures. Numerous countries require foreign suppliers (i.e. U.S. exporters in this case) to partner with a local company to access the market. Those requirements vary by country and size of the contract. DOC has services available to help U.S. companies identify prospective local representatives.

Key Commercial Service services such as the [International Partner Search \(IPS\)](#) help exporters find potential agents, distributors, or other partner companies without leaving the United States. The [Gold Key Service \(GKS\)](#) offers appointments with prospective trade partners in key industry sectors to help companies expand potential sales.

The Advocacy Center (AC)

If a U.S. exporter is competing with a foreign firm in a procurement or other project with a foreign government or government-controlled entity, official U.S. government advocacy could help in the procurement or project. The Advocacy Center (AC) helps level the playing field on behalf of U.S. businesses and workers competing for international contracts against foreign firms and promotes the growth of exports of U.S. goods and services around the world.

Advocacy is a comprehensive U.S. government effort. The AC works closely with the U.S. Commercial Service network of both domestic USEACs and Foreign Commercial Officers (FCO) within U.S. diplomatic missions overseas as well as with U.S. government industry experts within ITA and key offices at the DOD and DOS, among others. Examples of advocacy assistance include meetings between key foreign decision-makers and high-ranking U.S. government officials, or letters from U.S. government officials to foreign decision-makers.

For additional information about advocacy eligibility, click [here](#).

Step Two: Determine Export Controls and License Requirements

Whether selling via FMS or DCS, exporters must understand how the product in question is controlled and what licenses or authorizations one may need to export. Depending on the export control classification of the product, technical data or technology, or service, an exporter will submit export requests to a different U.S. government agency:

- DOS licenses defense articles, defense services, and technical data
- DOC licenses dual-use goods, software, and technology
- The Department of Treasury (Treasury) controls exports that might involve sanctioned entities.¹³

Export Controls and Export Control Reform (ECR)

As mentioned previously, the U.S. government controls the export, re-export, and re-transfer of dual-use goods and defense articles through regulations administered by DOS and DOC.

Beginning October 15, 2013, thousands of items previously controlled on the USML and subject to the ITAR were moved to the EAR. Most of the items that were moved were incorporated under the “600 series”, “500 series” and 0Y50X (firearms) on the [CCL](#)—which is the heart of the EAR for defense-related technologies.

Export Control Reform (ECR) which began as a Presidential initiative then reinforced under ECRA 2018, aimed to protect the United States’ most sensitive technologies while improving the ease of doing business for less sensitive military goods. ECR also aimed to increase overall interoperability with NATO and other close partners and allies. ECR changes have shifted the licensing requirements for less sensitive U.S.-origin defense parts and components resulting in shorter processing times and fewer conditions for export. For example, many military aircraft parts are now EAR-controlled, thus enabling U.S. companies to use EAR export

¹³ <https://sgp.fas.org/crs/natsec/R41916.pdf>

authorizations, either licenses or license exceptions, to meet foreign customer needs.

When determining a product's export control, U.S. exporters should follow the "Order of Review" with respect to the regulatory frameworks and control lists in both the ITAR and the EAR. This refers to beginning your review with the ITAR/USML, then moving to the EAR/CCL. The highest level of export control for a given product serves as its control classification. If there is any uncertainty with respect to the control classification between the control lists, U.S. exporters can submit a Commodity Jurisdiction (CJ) request to DDTC. If an item is released from the USML jurisdiction and if there is any uncertainty with respect to the control classification on the CCL, U.S. exporters can submit a Commodity Classification Automated Tracking System (CCATS) request to BIS.

A Deeper Dive: DDTC

DDTC controls items designed, developed, configured, modified, or adapted for a military application which is defined as defense articles. If your item is on the USML in [CFR Title 22 Part 121](#), it will be regulated by DOS under the ITAR. The USML is updated frequently to ensure it reflects U.S. government policy. U.S. exporters are advised to check [DDTC's Announcements](#) on a regular basis for the most up-to-date information.

DDTC ensures that commercial exports of defense articles and defense services advance U.S. national security and foreign policy objectives. DDTC manages the [Defense Export Control and Compliance System \(DECCS\)](#) for license requests for the export of items on the USML. DDTC has a Response Team available to provide non-authoritative guidance on basic regulatory and process questions, including the requirements of and process for submitting advisory opinions and commodity jurisdiction requests, registrations, and licenses along with guidance around regulatory changes. Contact information can be found [here](#).

A Deeper Dive: BIS

BIS is charged with advancing U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance

system and promoting continued U.S. strategic technology leadership. BIS has responsibility for dual-use items and defense items enumerated on the CCL transferred over from USML as part of ECR.

The CCL is divided into 10 Categories with an alphanumeric categorization that indicates control and whether the proposed export is for an end-item, test/inspection/production equipment, materials, software, or technology (which refers to information). Many listed Export Control Classification Numbers (ECCN) come from the multilateral regimes that the United States is a party to (i.e., the Wassenaar Arrangement, Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG) and the Australia Group). Most aerospace and defense items, software, and technology are found in Category 9 Aerospace and Propulsion, however not exclusively.

BIS regularly updates the exporting community through its annual "Update Conference on Export Controls and Policy." Exporters are encouraged to attend future events. Event announcements and policy updates can be found on the [BIS Homepage](#).

Things to Consider: DDTC and BIS regularly update export control policies and regulations to reflect U.S. government policy changes. As an example, BIS has updated the EAR several times to reflect changes to U.S. policy associated with the Russia-Ukraine conflict beginning in February 2022.

ITAR Highlights

The ITAR sets out regulations for items on the USML. Nearly all items on the USML require an export license. The DDTC website offers extensive information and guidance on ITAR licensing.

Step One: Determine if You Need to Register with DDTC

[Review the USML](#) to self-assess if hardware, technical data, and/or defense services are controlled under the ITAR. DDTC has an [Order of Review Decision Tool](#) and [Specially Designed Decision Tool](#) to help assess if a product or services is described on the USML.

If there is doubt as to if your products are regulated by the USML, you can submit a Commodity Jurisdiction (CJ) request. The purpose of a CJ request is to determine whether a commodity or service is covered by the USML and therefore subject to export controls administered by the U.S. Department of State pursuant to the Arms Export Control Act and the International Traffic in Arms Regulations. If after reviewing the USML and other relevant parts of the ITAR, in particular ITAR §120.3, §120.4, and §120.11, you are unsure of the export jurisdiction of a commodity or service, you should request a CJ determination. [CJ Information](#).

Who Must Register?

Manufacturers/Exporters/Temporary Importers

Per ITAR §122.1, any person must register with the DDTC who engages in the United States in the business of:

- Manufacturing, exporting, or temporarily importing defense articles
- Furnishing defense services

Manufacturers who do not engage in exporting are still required to register with DDTC. Detailed registration information can be found [here](#).

Brokers

Per [ITAR § 129.3](#), any broker (as defined in [ITAR § 129.2\(a\)](#)) who engages in the business of brokering activities (as defined in ITAR § 129.2(b)) is required to register with DDTC unless exempt under [ITAR § 129.3\(b\)](#). If you have a question as to whether a certain activity constitutes a brokering activity, you can submit an Advisory Opinion request to DDTC as described in [ITAR § 129.9](#).

Brokering registration is generally a precondition for authorization to engage in brokering activities. Registering as a broker with DDTC does not authorize a person to export, reexport, retransfer, temporarily import, or engage in brokering activities involving defense articles or defense services. Brokers who also need to export or temporarily import defense articles or defense services must also be registered with DDTC as an exporter.

Foreign Military Sales (FMS) & Freight Forwarders

Per ITAR § 126.6(c)(5)(i), a U.S. freight forwarder making shipments in support of an FMS case must register with DDTC. The applicable foreign embassy located in the United States must **designate a DDTC-registered U.S. freight forwarder** for their FMS transactions in their DECCS Registration.

Foreign Embassies

Per ITAR § 120.16(a)(1), a governmental entity in the United States (typically an embassy) may receive a license or other approval to conduct exports. The foreign entity must be registered with DDTC to apply for export licenses.

For general questions on registration and brokering matters, review DDTC's [FAQs](#).

Step Two: Register with DDTC

The AECA requires that any person who engages in the United States in the business of manufacturing, exporting, temporarily importing, or furnishing defense services, and any person who engages in brokering activities involving defense articles and services must [be registered with DDTC](#). This requirement is further described in parts 122 and 129 of the ITAR. Defense articles, which include technical data, are described on the USML in ITAR section 121.1.

Registration provides the U.S. Government with necessary information on who is involved in certain manufacturing and exporting activities and does not grant any export or temporary import rights or privileges. Registration is generally a precondition to the issuance of any license or other approval and use of certain exemptions.

Step Three: Apply for an Export License

After registering with DDTC, an exporter may [apply for an export license](#) via DDTC's [Defense Export Control and Compliance System](#) (DECCS).

Licenses, Agreements, and Other Authorizations

Generally, DDTC must approve any person intending to export, reexport, retransfer, or temporarily import a defense article or service, including technical data.

[License Guidance](#)

A license is a document that permits the export, temporary import, or brokering of a specific defense article or service described on the USML.

[Other Authorizations](#)

Other authorizations may include ITAR requirements for reexports and retransfers, brokering, and U.S. persons abroad providing defense services.

[Agreement Guidance](#)

An agreement can authorize U.S. persons to provide defense services, disclose technical data, assemble defense articles; and/or establish a warehouse or distribution point abroad for defense articles exported from the United States for distribution to entities in an approved sales territory. Agreements can also authorize a foreign person to manufacture or use defense articles, including technical data, and defense services provided by a U.S. person.

[Commodity Jurisdictions](#)

The purpose of a commodity jurisdiction (CJ) request is to determine whether a commodity or service is covered by the USML and therefore subject to export controls administered by DDTC pursuant to the AECA and ITAR. If after reviewing the USML and other relevant parts of the ITAR, in particular ITAR [§120.3](#), [§120.4](#), and [§120.11](#), an exporter is unsure of the export jurisdiction of a commodity or service, they should request a CJ determination.

Important Notes on CJ Requests:

Applicants are not required to be registered with DDTC to submit a CJ request.

CJ Requests Are Submitted Electronically

All CJ requests must be submitted via [DECCS](#). Applicants submit CJ requests through an online application using form DS-4076 (to which other documents may be attached). [Access the DECCS CJ application](#). **All other submissions will be Returned Without Action.**

Returned Without Action (RWA) CJ Requests

In the event you have submitted a CJ request and have received a notice from DDTC indicating it has been RWA'D, we ask that any resubmission include the additional information requested in the RWA notice. We recommend that you include the DDTC

RWA letter as an attachment to your new CJ submission. Your resubmission will be processed as a new CJ request and should be submitted accordingly as a new DS-4076.

CJ Case Number

After successful submission of the DS-4076 CJ package through DECCS the applicant receives a CJ case number immediately. If the applicant does not receive a CJ case number, the submission has failed and the applicant must resubmit. Within 48 business hours applicants will be able to track their CJ case on [ELISA](#).

ITAR Part 130 Political Contributions, Fees, and Commissions

ITAR Part 130 governs political contributions, fees, and commissions related to defense trade. It applies to entities that apply for a license or approval to export, re-export, or retransfer defense articles or services worth at least \$500,000. To determine if you need to file a Part 130, visit the [Part 130 Decision Tree Tool](#) page.

[Part 130 - Guidelines for Furnishing Information](#)

[Specified in §130.10](#) (PDF | 12/13/2013) Direct Commercial Sales ITAR Part 130 report information should normally be submitted as part of a license application via DECCS. DDTC will accept ITAR Part 130 information submitted in hard copy via regular and express mail when the information cannot be submitted with a license application. DDTC now accepts electronic submissions of Foreign Military Sales Supplier and Vendor reports via email DDTC-Part130Notices@state.gov.

Questions about the Process can be directed to two DDTC resources:

DDTC Help Desk

The DDTC Help Desk provides technical support to users of DDTC applications when they encounter website or system issues.

Email: ddtccustomerservice@state.gov

Phone: 202-663-2838 | 8:00am – 5:00pm

DDTC Response Team

The Response Team provides non-authoritative guidance on basic regulatory process questions and assists exporters in identifying how to get answers to

more complex questions through other well-established DDTC channels.

Email: ddtcrestonseteam@state.gov

Phone: 202-663-1282 | 8:00am – 5:00pm

Again, like FMS, DCS cases are notified to Congress if they meet the monetary thresholds outlined in the AECA. DCS Congressional notifications are also subject to the same provisions requiring Congress to enact a Joint Resolution in response to a particular transfer that may prevent the transfer.

As a best practice, U.S. companies with export portfolios should consider investing in resources that assist with compliance. This can take the form of in-house or outside counsel, export compliance programs, or export compliance professionals to ensure overall compliance with the AECA, ITAR, ECRA, EAR, and subsequent export licenses approved by the U.S. government.

Things to Consider: Export license reviews vary in processing times, but on average licenses are adjudicated between 30 – 120 days. To provide greater transparency and predictability for U.S. defense firms planning munitions license submissions, DDTC provides a monthly update of the Directorate’s processing times. This information can be found [here](#).

EAR Highlights

Once you have confirmed that your product is not on the USML and regulated by ITAR, you need to determine if your product is on the CCL and controlled by the EAR. The EAR sets licensing policy for dual-use and certain military items.

A company can self-classify or consult with an engineer or manufacturer of the item to properly classify the export. If the exporter is the manufacturer and is uncertain of the classification on the EAR, the company will want to consider filing a Commodity Classification Request at no cost.

For additional information, exporters should refer to or can download [Part 732: Steps for using the EAR](#).

Exporters are also encouraged to download chapter [Part 736 – General Prohibitions](#) and check whether items 1-3 are applicable to each export sale.

EAR99

Some products, usually low-technology consumer goods, will be classified under EAR99 and are not listed on the CCL. EAR99 items generally can be exported without a license but exporters will still need to conduct due diligence like utilizing ITA’s [Consolidated Screening List](#), to ensure the export is not bound for an embargoed or sanctioned country, a prohibited end-user, or used in a prohibited end-use.¹⁴

Under the EAR, there is one primary export license and many license exceptions U.S. industry can use to address a particular trade need; these exceptions are not exclusive to defense issues. All U.S. parties, including entities, businesses, and persons, are subject to the laws of the ECRA and requirements of the EAR when engaging in trade or practices thereof, therefore violations of either ECRA or the EAR can result in civil and/or criminal fines and penalties.

How to Submit a License Request to BIS

If an item is subject to the EAR (600-series, dual-use, or commercial item) and requires a license, companies can register and submit an electronic application via [SNAP-R](#). If you need assistance using the SNAP-R system, BIS contact information is [here](#).

How to Submit a CCATs Requests

[Commodity Classification Requests](#) (CCATs) are also submitted through an electronic application via the SNAP-R system.

License Exceptions

A license exception is an authorization that allows a U.S. company to export or re-export, under stated conditions, items subject to the EAR that would otherwise require a license. Many 600-series items

¹⁴ <https://www.trade.gov/eccn-and-export-administration-regulation-ear99>

under the EAR have license exceptions available that obviate the need for individual prior approvals from the U.S. government for transactions that are eligible and meet certain requirements.

Strategic Trade Authorization License Exception

The aerospace and defense industry benefits from the [Strategic Trade Authorization](#) (STA) license exception, which allows some aircraft parts and less-significant military equipment to be exported to [NATO countries and other close allies](#) without a license. For more specific and detailed information on STA and other license exceptions and eligibility requirements, exporters should refer to in [Part 740 of the EAR](#). For additional information on License Exception STA in particular, refer to BIS' most recent [policy guidance](#) and [FAQs](#)

FMS and Export Licenses

End-items that moved from the USML to the CCL as part of ECR, exporters with questions on how the “600-series” military items on the EAR are sold through the FMS Program can consult the “[FMS FAQs](#)” published by BIS in coordination with State, DoD, and DHS, provide the most up-to-date information.

If your item is controlled by Commerce on the CCL and is exported under FMS authority, it is no longer “subject to the EAR” pursuant to § 734.3(b)(1)(vi) of the EAR because your product now meets the official definition of a “defense article” pursuant to section 47 of the AECA (22 U.S.C. 2794). Therefore, BIS will not issue a license for the export of these items. Questions can be directed to DDTC for more information.

There may be circumstances where the FMS export authority does not fully cover a transfer and a license is necessary, in which case exporters should contact DDTC or BIS, as appropriate.

Embargoes and Other Export Restrictions

Again, [the “Consolidated Screening List” \(CSL\)](#) is a summary of parties which the U.S. government maintains restrictions for certain exports, re-exports or transfers due to previous violations of U.S. laws and regulations or other policy considerations. The list is used as a tool to assist in screening parties, and refers to a company, entity, or a person. The CSL

search engine is a consolidation of screening lists updated by the DOC, DOS, Treasury under The Office of Foreign Assets (OFAC), and all regulatory agencies involved in making rules on export controls and/or sanctions.

Companies are strongly recommended to conduct an initial screening combined with periodic checks on entities receiving U.S. controlled end-items. The CSL is updated frequently, and changes are made in turn that may impact U.S. exporters. Additionally, U.S. exporters are responsible for remaining current on restrictions impacting certain countries of destination and companies or individual entities of concern who are not authorized for certain exports by U.S. entities.

Pursuant to ITAR §126.7, DDTC maintains a list of [country policies](#), while pursuant to the EAR, BIS maintains a list of [sanctioned destinations](#). U.S. exporters should also be aware of [Treasury/OFAC-sanctioned entities](#), which apply to export or re-export transactions.

Export Management & Compliance Plan (EMCP)

Export control violations can be harmful to the national security and foreign policy of the United States, and may result in civil penalties, criminal penalties, and other costs including reputational loss and/or revocation/rejection of export licenses. U.S. exporters should understand and comply with export control regulations and keep abreast of the latest EAR and ITAR changes.

It is strongly advised that registered exporters, manufacturers, brokers, and others engaged in defense trade, to maintain compliance programs that assist in the monitoring and control of exports and other regulated activities. This [BIS publication](#) outlines the specific EMCP guidelines and elements recommended for an effective compliance program. Companies should use this reference to analyze their procedures and manage risk. DDTC also provides [Compliance Program Guidelines](#) and more information on how to comply with the ITAR can be found [here](#). If possible, U.S. exporters are encouraged to invest in resources such as hiring a compliance specialist or legal official to help the organization be compliant with current regulations, legal, and record keeping requirements.

Periodically training and webinars are available from DOS and DOC on export controls and regulation. For a quick start guide, U.S. exporters can take advantage of BIS' FREE [online training](#). DDTC Support including Frequently Asked Questions (FAQs), contact information, and DDTC Outreach programs can be found [here](#).

Other Agencies or Entities Involved in Export Controls

U.S. Department of Justice (DOJ)

While not the focus of this report, DOJ controls permanent *import* of articles and services covered by the United States Munitions Import List, (USMIL) from foreign countries by persons subject to U.S. jurisdiction. DOS holds jurisdiction over temporary imports of defense articles returned to the United States for repair. The DOJ's Bureau of [Alcohol, Tobacco, Firearms and Explosives \(ATF\)](#) regulates the permanent import of weapons, ammunition and “implements” of war.

Department of the Treasury (DOT)

The Department of the Treasury's Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the United States. Some of the lists include the Foreign Sanctions Evaders (FSE) list, the Specially Designated Nationals List (SDN), and the Blocked Persons list. Go to [OFAC's Sanctions Program and Information](#) to view a complete list.

Defense Technology Security Administration (DTSA)

DTSA administers the development and implementation of DOD security policies related to international transfers of defense-related goods, services, and technologies. DTSA reviews and provides export recommendations on controlled information and advanced technology to mitigate risks to U.S. national security.

Additionally, DTSA works closely with both DOC and DOS, and serves as a reviewing agency on overall technical and policy assessments for export license applications under ITAR and EAR. In accordance with Executive Order 11958, DOS, with DOD concurrence, determines what commodities are covered by the USML. DTSA is the lead for DOD and receives all CJs staffed from DOS/DDTC. DTSA also reviews CCAT requests submitted by DOC. For more information see <http://www.dtsa.mil>.

Step Three: Export Promotion

ITA is the U.S. government agency for export promotion and can assist U.S. companies in a variety of different ways.

Trade Shows

External outreach and business to business (B2B) activities like trade shows play a critical role in facilitating networking opportunities, marketing, and sales. Trade promotion efforts at these events frequently showcase products and capabilities to customers and focus on B2B matchmaking for potential customers, distributors, licensing agents, and other stakeholders. Many government agencies participate in trade shows to assist companies and strengthen their own partnerships with industry and foreign counterparts. ITA and private U.S. pavilion organizers facilitate introductions to foreign buyers and often provide matchmaking services on the show floor. Major aerospace trade shows allow for unique opportunities that can save companies time and money in generating new business. Companies who are new to international markets can benefit by exhibiting in U.S. pavilions, aligning themselves with key exhibiting defense contractors with whom they have an existing relationship, or attending as part of a U.S. state-led delegation.

After identifying the best market and correlating trade shows, companies should prepare marketing materials and promotions and arrange meetings in advance to get the most benefit from the show. Companies should also examine sales channels, ongoing management, marketing, and sales support for partners. Again, [ITA programs and resources](#) are available to help with these activities.

As part of a synchronized effort, the Department of Commerce works closely with other departments and agencies at trade shows to collaborate, coordinate, support, and facilitate responsible aerospace and defense opportunities for U.S. companies. Partnering organizations include numerous components of the Department of Defense as well as the Department of State. ITA often exhibits at many of the aerospace & defense trade shows. A list of trade shows that U.S. government officials often attend is included in Addendum 1.

Webinars

Prior to aerospace trade shows, ITA frequently organizes webinars to educate companies on key growth markets, trends, opportunities, and other pertinent topics related to a given show. About 20-30 webinars are organized by ITA each year. Companies benefit by gaining additional market intelligence and better understanding of the market. A list of upcoming ITA webinars in the aerospace and defense sector can be found [here](#).

Trade Missions

ITA trade missions are overseas group programs for U.S. firms that wish to explore and pursue export opportunities in foreign markets. Trade missions often include one-on-one meetings with foreign industry executives and government officials that are pre-screened to match specific business objectives, whether for representation, direct B2B operations, or joint ventures in the local market. ITA also certifies trade missions that are organized by state and private sector organizations and supported by ITA's Commercial Service overseas offices.

Non-Government Associations

Becoming a member of an aerospace or defense trade association can bring a company closer to customers, potential customers, partners, suppliers, and competitors. Numerous events, services, and other resources offered can allow companies to maximize networking opportunities for potential business development and gain technical know-how in a complex and highly regulated market. Associations can also be an excellent data source with in-house market research and newsletters, which are often published only for members.

Other Export Considerations

Offsets

As a condition for sale in defense trade, Offsets are requirements set by foreign governments for industry to invest in the foreign country's economy. This can take a variety of forms such as establishing facilities, forming joint ventures, or committing to local content sourcing as examples. Over 80 countries have offset requirements. Such requirements have become an increasingly important and notable elements of international armaments competitions.

The U.S. government may not encourage nor assist companies to commit to or enter into offset agreements. The contractor and involved companies must determine offset arrangements. Offsets have become increasingly challenging as a greater number of countries require them, and they can impact the business case of the export and therefore the overall competitiveness of the offer. It is recommended U.S. exporters understand the acquisition policies of the procuring country and exporters may benefit from working with local in-country representatives or other resources.

Exporters should be aware that BIS [requires](#) the reporting of offsets exceeding \$5 million in value.

Foreign Corrupt Practices Act (FCPA)

The Foreign Corrupt Practices Act of 1977 (as amended), generally prohibits the payment of bribes to foreign officials to assist in obtaining or retaining business. It also requires companies that are publicly traded in the United States to maintain accurate books and records and internal controls sufficient to provide reasonable assurances that transactions are executed, and assets are appropriately accounted for. The FCPA is far reaching and can apply to prohibited conduct anywhere in the world. The SEC and the Department of Justice are jointly responsible for enforcing FCPA.

U.S. exporters must be familiar with this statute and compliant with its provisions, as the sanctions for FCPA violations can include large fines and/or imprisonment. Exporters are encouraged to read the [FCPA Resource Guide to the U.S. Foreign Corrupt Practices Act](#). [Click here for more information on](#)

[FCPA](#) on the SEC FCPA website, and [here for the DOJ FCPA website](#). For FCPA compliance questions relating to specific conduct, exporters are also advised to consult with an attorney who specializes in

securities law well as consider using the Department of Justice's FCPA Opinion Procedure, found [here](#).

Addendum 1: Major Aerospace and Defense Trade Shows

The following is a representative list of international aerospace and defense shows. Most major tradeshow and airshows, such as Farnborough and the Paris Air Show, operate on a two-year cycle, although some variations occur, and it is important to check the shows' website for the most up-to-date information or reach out to ITA.

Europe

Paris Air Show

Venue: Paris, France

<https://www.siae.fr/en/>

EUROSATORY

Venue: Paris, France

<https://www.eurosatory.com/?lang=en>

Farnborough International Air Show

Venue: Farnborough, England

<https://www.farnboroughairshow.com/>

Adriatic Sea Defense and Aerospace Exhibition

Location: Split, Croatia

<https://adriaticseadefense.com/>

Feria Internacional de Defensa y Seguridad (FEINDEF)

Location: Madrid, Spain

<https://www.feindef.com/>

EURONAVAL

Location: Paris, France

<https://www.euronaval.fr/>

International Defense Industry Fair (IDEF)

Venue: Istanbul, Turkey

Defense Security Equipment International (DSEI)

Location: London, England

<https://www.dsei.co.uk/>

MSPO International Defense Industry Exhibition

Location: Kielce, Poland

<https://www.targikielce.pl/en/mspo>

Indo-Pacific

Singapore Air Show

Venue: Singapore

<https://www.singaporeairshow.com/>

Defense Expo Korea (DX KOREA)

Venue: Seoul, Korea

<http://www.dxkorea.org/en/index.asp>

Australian International Airshow and Aerospace & Defense Exposition (Avalon)

Venue: Geelong, Australia

<https://www.airshow.com.au/airshow2023/index.asp>

AERO INDIA

Venue: India

<https://aeroindia.gov.in/>

Langkawi International Maritime Defense Exhibition (LIMA)

Venue: Langkawi Island, Malaysia

Seoul International Aerospace and Defense Exhibition (ADEX)

Location: Seoul, South Korea

International Maritime Defense Exhibition (IMDEX ASIA)

Venue: Singapore

<https://www.imdexasia.com/>

Defense Expo (DEFEXPO)**Location:** Gandhinagar, India<https://defexpo.gov.in/>**Japan International Aerospace Exhibition****Venue:** Tokyo, Japan<https://www.japanaerospace.jp/en/>**DSEI Japan****Venue:** Makuhari Messe, Tokyo, Japan[DSEI Japan \(dsei-japan.com\)](https://dsei-japan.com)**Indo Defence Expo & Forum
(INDODEFENCE)****Venue:** Kemayoran, Jakarta, Indonesia<https://indodefence.com/>**Middle East/Africa****International Defense Exhibition &
Conference (IDEX)****Venue:** Abu Dhabi, UAE<http://www.idexuae.ae/>**Dubai Air Show****Location:** Dubai, UAE<https://www.dubaiairshow.aero/>**Egypt Defense Exposition (EDEX)****Location:** Cairo, Egypt<https://www.egyptdefenceexpo.com/>**Africa Aerospace and Defence Exhibition
(AAD)****Location:** South Africa<http://www.aadexpo.co.za/>**MILIPOL****Location:** Doha, Qatar<http://en.milipolqatar.com>**Bahrain International Air Show****Venue:** Sakhir Airbase, Kingdom of Bahrain<https://www.bahraininternationalairshow.com/>**World Defense Show****Venue:** Riyadh, Kingdom of Saudi Arabia<https://www.worlddefenseshow.com/>**Tunisia International Aerospace & Defence
Exhibition****Venue:** Djerba, Tunisia<https://www.iadetunisia.com/>**Latin America****Latin American Aerospace and Defense
(LAAD)****Venue:** Rio de Janeiro, Brazil<https://laadexpo.com.br/defence/en/>**Feria Aeronáutica Internacional Rionegro (F-
AIR)****Location:** Rionegro, Colombia<https://f-aircolombia.com.co/>**Feria Aeroespacial México (FAMEX)****Location:** Santa Lucía, Mexico<http://www.fairmexico.com.mx/en/>**International Air and Space Fair (FIDAE)****Location:** Santiago, Chile<https://www.fidae.cl/en/about-us/>

Addendum 2: Additional Resources for U.S. Exporters

The U.S. Government has numerous resources available to help U.S. exporters: from additional market research to export financing guides, to overseas trade missions, to staff around the country and the world. A few key resources are highlighted below.

[Country Commercial Guides](#)

Written by trade experts at U.S. Embassies worldwide, the *Country Commercial Guides* provide an excellent starting point for what you need to know about exporting and doing business in a foreign market. The reports include sections addressing market overview, challenges, opportunities, and entry strategies; political environment; selling U.S. products and services; trade regulations, customs, and standards; and much more.

[Basic Guide to Exporting](#)

A Basic Guide to Exporting addresses virtually every issue a company looking to export might face. Numerous sections, charts, lists and definitions throughout the book's 19 chapters provide in-depth information about the key activities and issues relevant to any prospective exporter.

[Trade Finance Guide: A Quick Reference for U.S. Exporters](#)

Trade Finance Guide: A Quick Reference for U.S. Exporters is designed to help U.S. companies, especially small and medium-sized enterprises, learn the basics of trade finance so that they can turn their export opportunities into actual sales and achieve the goal of getting paid on time for those sales. Concise, two-page chapters offer the basics of numerous financing techniques, from open accounts to forfaiting and government assisted foreign-buyer financing.

[Trade Missions](#)

Department of Commerce trade missions are overseas group programs for U.S. firms that wish to explore and pursue export opportunities in foreign markets. Trade missions often include one-on-one meetings with foreign industry executives and government officials that are pre-screened to match specific business objectives, whether for representation, direct sales, or joint ventures in the local market. DOC also certifies trade missions that are organized by state and private sector organizations and supported by DOC's Commercial Service overseas offices.

[The Industry Trade Advisory Committee \(ITAC\)](#)

The Industry Trade Advisory Committee on Aerospace Equipment consists of representatives of U.S. aerospace and defense manufacturers and their trade associations, as well as labor organizations, who advise the Secretary of Commerce and the U.S. Trade Representative on international trade issues related to the aerospace and defense industry.

[Small Business Resources](#)

U.S. defense exports must comply with all applicable U.S. laws, policies, and regulations, including those mandated by the DOD. DOD supports small businesses in meeting these requirements. The DOD [Office of Small Business Programs](#) has many resources to support U.S. companies including a [Toolkit for Defense Acquisition](#), Step-by-Step Guide to [Contracting with the Department of Defense](#), and a [Guide to Working with DOD](#). For emerging requirements like the implementation of the Cybersecurity Maturity Model Certification (CMMC), OSBP offers [resources](#) like Project Spectrum and others to help small-to-medium sized enterprises' cybersecurity compliance. Questions about resources and programs offered by DOD OSBP can be directed to osd.business.defense@mail.mil.

Finally, the military services offer tools to understand their procurement which provides insight into the trajectory of the services' PORs. For example, the Department of the Navy (DON) through its [Office of Small Business Programs](#) has resources like the "[what the U.S. Navy buys](#)" search engine.