

### ***Iran successfully orbits satellite – time to rethink ITARs***

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In 1999, under the recommendation of a bipartisan commission headed by California representative Christopher Cox, the United States government instituted a sweeping change in its regulation of satellite and related technology exports. Previously, the export of these items had been regulated by the Commerce Department, and American satellites were sold and launched worldwide, including in China. Following a highly visible scandal concerning the unauthorized transfer of satellite launcher technology from American satellite manufacturers to Chinese launch vehicle manufacturers, the export of satellites came under much greater scrutiny. At the root of this scandal was the dual use capability that many satellite and launch vehicle technologies have in missile applications (recall that most early launch vehicles were, in fact, repurposed and modified ballistic missiles).

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The form of this scrutiny was the International Trafficking in Arms Regulations (ITARs), under which satellites and satellite components were classified as munitions and exportation came under the purview of the State Department. Under this new regime, strict regulations and accompanying sanctions were instituted to prevent the transfer of technology from American Satellite manufacturers to their customers. While it was intended that implementation of these standards would prevent unwanted technology transfer (and that the cost of the standards would be borne by the purchasers), the Law of Unintended Consequences intervened.

In particular, many satellite buyers simply took their business elsewhere. As a consequence, much of the commercial satellite business for non American customers migrated to European vendors, leading to a serious loss of market share (and related employment, tax revenues, R&D funding, etc.). In more recent times, fresh competition from Israeli, Chinese (e.g. Nigeria's NigComsat-1 and Venezuela's Simon Bolivar satellite) and Indian (e.g. W2M) satellite vendors has also emerged, with aggressive pricing and guarantees, if somewhat checkered results. China, in particular, seems to be using its space program as a means of diplomacy to win new friends in the developing world.



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Now, the circle of spacefaring nations has grown again, with the successful launch of Iran's first indigenously developed satellite and launch vehicle. This feat was achieved not only with ITARs in place, but substantial additional international sanctions, as well.

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From the perspective of this writer, ten years after the fact, applying ITARs to satellite exports appears to be a case of chasing a train that has left the station. An increasing body of evidence demonstrates the rest of the world appears quite capable of developing their own launchers and satellites without our "assistance". Needlessly punishing American firms that provide environmentally responsible, trade and budget deficit reducing, high paying technology jobs by effectively barring them from international markets seems counterproductive to say the least.

With a whiff of change now detectable in Washington, we think it's high time to consider changing these regulations to reflect the times. It's the least we can hope for.

By John Stone  
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