

## *Spaceport Associates*

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Ms Candace M J Goforth  
Director, Office of Defense Trade Controls Policy  
Directorate of Defense Trade Controls  
US Department of State  
2201 C Street NW  
Washington DC 20520

VIA Email: [DDTCResponseTeam@State.gov](mailto:DDTCResponseTeam@State.gov)

### **Re: ITAR Amendment – USML Category XV and Defense Services**

Dear Ms Goforth,

We appreciate the opportunity to offer comments on the proposed changes to USML Category XV. Spaceport Associates has been associated with efforts to create a new appropriately regulated industry of space tourism for many years. We are active participants in various working groups of the Federal Aviation Administration's COMSTAC advisory committee, and are looking to see a major step forward when the first paying passengers start flying into space next year – probably either on a Virgin Galactic or an XCOR sub-orbital space tourism vehicle. It has taken many years to reach this point (over a decade) and the operating companies and their associated terrestrial counterparts providing spaceport and training services are about to see their first revenues after having undertaken considerable financial, technical, business and regulatory risk.

However, a backwards step now seems to be contemplated with the proposed inclusion of “man-rated sub-orbital, orbital, lunar, interplanetary or habitat” under Category XV of the USML. At its most recent meeting on May 14<sup>th</sup>, 2013 in Washington DC, the COMSTAC Advisory Group to the FAA-AST encouraged its members to “evaluate current export controls on space technologies, including those related to commercial space transportation, in order to strike the appropriate balance between national security and supporting a strong and competitive domestic space manufacturing industry.” The proposed change would we believe not achieve the desired balance because it would make it more difficult for the new manufacturing firms to carry out plans to sell and operate their vehicles outside the US, while having no impact on security concerns – these vehicles are lightweight craft designed specifically to transport space tourists for a short trip into space (usually less than 10 minutes). The new potential \$1B industry of

space tourism is a global business, with possibly more than half the potential private space travelers coming from countries other than the US, and there is strong interest from abroad in setting up spaceports (which might ultimately make it possible for this technology to be used for point-to-point sub-orbital space transportation – travel anywhere in the world in less than 90 minutes). The existing regulatory regime has thus far been supportive of such developments, and the US is well placed in the vanguard in making this new industry happen, but the proposed new changes would we believe send out a different message – just at a critical time when the first revenue earning flights are about to take place. We would therefore recommend that this text be removed from the final ruling.

A second area of concern is the text “space-based logistics, assembly or servicing of any spacecraft” which is also proposed in the draft Category XV. This language would we feel certainly create problems for a new commercial sector which would provide satellite servicing and refueling services, while the potential security risk is not clear. This new commercial sector would also be by its nature a global business, and there will be a need for all global players to agree on standard connections and interfaces to enable in-orbit refueling to take place. It is hard to see how this could happen while this area remains under USML Category XV. We therefore respectfully suggest that consideration should be given to removal of this category from the List because otherwise this nascent business will be prevented from taking place.

In general, we believe we are at the beginning of a major change in the space sector with commercial operations taking important initiatives which will lead to benefits for all in terms of efficiencies of operation. There will be new jobs created, and the motivation is not military. These systems are not being designed as weapons. We respectfully request that you give consideration to removing the space tourism and spacecraft servicing text from the USML Category XV.

Yours sincerely,  
Derek Webber  
Executive Director  
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