

CLIENT ALERT

New DDTC Management Team Follows Through With Promise to Review and Eliminate Some Unnecessary ITAR Provisions

March 29, 2010

Perhaps one of the most interesting takeaways from SIA's Annual Conference last Fall was the perception that senior DDTC management understood certain provisions of the International Traffic in Arms Regulations (ITAR) served no particular useful purpose. This morning, DDTC published in the Federal Register a proposed rule to eliminate one such provision, the longstanding requirement in Section 126.8 to obtain approval (or in some cases to notify DDTC) of certain proposals to sell or manufacture abroad significant military equipment, acknowledging that the limited benefit of this advance approval /notice did not justify the compliance burden on industry. Let's hope this proposed rule can be quickly finalized (the comment period runs until May 28, 2010) and that further changes along these lines are in store. One potential issue with this proposed rule is it will eliminate the definition of "proposal and presentation" which has been useful in interpreting other ITAR provisions such as brokering -- but then a revised Part 129 governing brokering has been circulated and should hopefully be published as a proposed rule in the near future.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Alan W. H. Gourley

Partner – Washington, D.C.

Phone: +1.202.624.2561

Email: agourley@crowell.com