

Export Control Reform Initiative Factsheet #4:
License Exception “Strategic Trade Authorization” (STA)

What is a License Exception?

A license exception is a type of U.S. Government authorization that allows a controlled item to be exported under defined conditions without a transaction-specific license. The defined conditions for any license exception allow for an audit trail to ensure the U.S. Government’s ability to enforce the controls. Eligibility to ship under a license exception is not a de-control.

What does License Exception “Strategic Trade Authorization” (STA) do?

- STA permits the export of a defined set of items on the Commerce Control List – certain dual-use items and certain less significant munitions items, predominantly parts and components – to Allies and most members of all four multilateral export control regimes without a specific license.
- Imposes enhanced compliance requirements by requiring each recipient to certify in advance of receipt of STA-eligible items that they will abide by U.S. export control regulations, including the need to obtain a U.S. license to export or re-export outside of STA-eligible countries.

What does STA NOT do?

- It does not de-control any item.
- It does not apply to all items on the CCL. Exclusions from STA include items for which a specific license is required by statute or international commitment, items that provide a critical U.S. national security or intelligence advantage, encryption items, and dual-use items controlled for reasons of short supply, surreptitious listening, missile technology or chemical weapons.
- It does not diminish the ability of the U.S. Government to enforce its controls. Exporters are required to obtain certification from the consignee, prior to shipment, to comply with the requirements of the U.S. controls.
- It does not waive the specific license requirement for the export or re-export of STA-eligible items to any destination outside the STA-eligible countries.
- It does not apply to firearms or related ammunition controlled as CCL munitions items.
- It does not waive the specific license requirement for the export, re-export, or retransfer of CCL munitions items for non-government end-use within the STA-eligible countries.
- It does not waive the specific license requirement for the export, re-export, or retransfer of CCL munitions end items without U.S. Government authorization.

Why Make This Change?

STA will improve U.S. national security now and in the future by:

- Focusing U.S. Government resources on sensitive exports and destinations.

- Facilitating exports to Allies and partners by eliminating approximately 3,000 dual-use licenses and tens of thousands of licenses for munitions parts and components annually.
- Improving regulatory compliance by foreign companies.
- Boosting U.S. Government enforcement efforts by providing better clarity on what is controlled and enabling more enforcement tools to be applied to STA-eligible CCL munitions items to ensure an appropriate balance between improving interoperability with Allies and eliminating the design-out of U.S. content, to the detriment of the U.S. industrial base, with the continued ability to enforce U.S. controls (see Factsheets 3 and 6).
- Improving U.S.-Allied military interoperability.
- Saving the U.S. Government time and money, particularly in Department of Defense acquisition costs.
- Largely eliminating the design-out of U.S. origin items, particularly parts and components, because of the scope and complexity of the U.S. export control system, while also largely resolving the loss of U.S. control and U.S. visibility of transfers to destinations, end-users, and end-uses of concern, including human rights abuses, as a result of the design-out of U.S. origin items.
- Improving the long-term health and competitiveness of the U.S. industrial base, which includes maintaining and creating jobs.
- Bolstering the security of supply from second- and third-tier suppliers to the U.S. and Allied militaries.
- Helping to create reliable supplier relationships between U.S. exporters and foreign customers.

To follow developments on the reform initiative, visit www.export.gov/ecr/