DDTC Extends Open General Licenses for the UK, Canada, and Australia: 3 Takeaways

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On June 1, 2023, the U.S. Department of State, Directorate of Defense Trade Controls ("DDTC") <u>published</u> under the International Traffic in Arms Regulations ("ITAR") updated Open General License ("OGL") Nos. 1 & 2, extending a pilot program facilitating certain defense trade within and among the United Kingdom, Canada, and Australia through July 31, 2026. OGLs 1 & 2 were initially set to expire on July 31, 2023.

The updated OGLs signify further enhanced defense cooperation between the United States, the United Kingdom, Canada, and Australia.

Background

On July 20, 2022, DDTC <u>published</u> OGL Nos. 1 & 2, authorizing retransfers within, and reexports among, the United Kingdom, Canada, and Australia of certain ITAR-controlled defense articles, services, and technical data. The initial OGLs, issued as part of a pilot program, were to be effective from August 1, 2022, through July 31, 2023.

The OGLs authorized retransfers and reexports of certain unclassified defense articles to the governments and DDTC-authorized export communities (as described at Sections 126.17(d) and 126.5(b) of the ITAR) of the United Kingdom, Canada, and Australia. The OGLs applied only to unclassified defense articles previously exported pursuant to a DDTC-issued license or other approval, and imposed certain exclusions and limitations with respect to: items exported pursuant to the Foreign Military Sales program; certain defense articles relating to missiles and certain missile technology, UAVs, and space launch vehicles; certain ITAR-controlled technical data; and certain "major defense equipment."

Three Key Takeaways

- 1. Three-year extension of OGL pilot program. DDTC's new rule extends the validity period of OGL Nos. 1 and 2 through July 31, 2026.
- 2. DDTC objectives: industry certainty and data collection. DDTC states that it is extending the

- OGLs for three years (a) to provide industry with comfort that it can use the OGLs without fear that they will expire more quickly than a specific license, and (b) to collect sufficient data on the usefulness of the OGL pilot program.
- 3. Clarification. DDTC made what it described as "non-substantive" revisions to the OGLs clarifying that the OGLs can be used to retransfer or reexport a single defense article, and that multiple defense articles need not be retransferred or reexported simultaneously.

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