

October 1, 2024

President Joseph R. Biden The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear President Biden,

The trilateral security partnership between the U.S., U.K., and Australia (AUKUS) is a generational opportunity to ensure a more secure Indo-Pacific. Along with allowing the U.S. to sell conventionally armed nuclear-powered submarines to Australia, AUKUS includes an agreement to increase defense industry cooperation on research and development in advanced technologies with military applications. This latter component, known as Pillar Two, can unleash the combined potential of our three collective defense industrial bases to make critical strides in advanced military technologies.

To promote the successful implementation of Pillar Two, we included bipartisan language in the Fiscal Year 2024 National Defense Authorization Act providing for license-free defense trade among AUKUS partners, with very limited exceptions.¹ After four months of delays, the Biden-Harris administration finally issued these congressionally mandated exemptions for Australia and the U.K.² Disappointingly, it also included a lengthy Excluded Technologies List (ETL) that jeopardizes the viability of Pillar Two. This list is not in the spirit of the agreement to promote cutting edge and innovative technology essential for enhancing the Indo-Pacific security environment.

Under AUKUS Pillar One, the U.S. agreed to share nuclear propulsion technology – the crown jewel of our defense industry. The U.K. and Australia are also Five Eyes partners, with whom we share our most sensitive intelligence. The U.K. and Australia have also taken significant steps to enable the AUKUS partnership, including changes to their defense export regulations. Australia has committed to a direct investment of more than \$3 billion in the U.S. submarine industrial base. The administration must trust our closest allies and meet their shared commitment to AUKUS.

We agree with Deputy Secretary of State Kurt Campbell, who stated in testimony before the House Foreign Affairs Committee that the current ETL "could lead to a very cumbersome process, long reviews, overruns in terms of times and delivery. We need to make this usable for defense planners and others that are making billion-dollar investments."³ We urge you and your

² <u>Federal Register :: International Traffic in Arms Regulations: Exemption for Defense Trade and Cooperation</u> <u>Among Australia, the United Kingdom, and the United States</u>

¹ Public Law 118-31, Division A, Title XIII, Section 1343, <u>PUBL031.PS (congress.gov)</u>

³ Great Power Competition in the Indo-Pacific - Committee on Foreign Affairs (house.gov)

senior leaders to continue to review items included on the ETL and remove as many as possible that do not warrant inclusion in order to unleash AUKUS' full potential.

There is no time to wait. Chairman Xi and the CCP pose a grave and imminent threat to the stability of the Indo-Pacific. Half-measures pose an unacceptable risk to our national security. When the final AUKUS rule is announced in November, we expect to see significant changes to the ITAR exemption that restricts the ETL to only that which is required by law or treaty.

Sincerely,

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MICHAEL T. MCCAUL Chairman House Foreign Affairs Committee

MIKE ROGERS Chairman Committee on Armed Services

CC: The Honorable Antony Blinken, Secretary of State The Honorable Lloyd Austin, Secretary of Defense