



[Home](#) > ... > [The AUKUS Trade Authorization Mechanism \(ATA...](#)



The AUKUS Trade Authorization Mechanism (ATAM): Ensuring swift and secure defense trade under AUKUS

FACT SHEET

JULY 10, 2023

The AUKUS Trade Authorization Mechanism, or ATAM, is designed to facilitate trade of U.S. defense articles and defense services between the United States, the UK, and Australia in support of AUKUS programs, for both Pillar I (providing Australia with a conventionally armed, nuclear-powered submarine capability) and Pillar II (advanced capabilities). This is an interim measure to streamline defense trade of U.S. origin items while we pursue bold legislative changes.

- ◆ The AUKUS Trade Authorization Mechanism will provide a consistent framework that will cover Direct Commercial Sales (DCS) (private sector-to-government or private sector-to-private sector transfers) as well as some items that were previously sold as Foreign Military Sales (FMS) (government-to-government agreements) but may be handled as DCS under ATAM. This mechanism relies on existing authorities, both to increase the speed and efficiency of defense trade while doing so in a way that is familiar, and therefore easier, for U.S. exporters.
- ◆ This approach was adopted to address concerns regarding how the speed and efficiency of the Foreign Military Sales (FMS) and Direct Commercial Sales (DCS) processes would be inadequate for the expected increase in volume of AUKUS-related defense trade.
- ◆ Together, we will take three steps to implement the AUKUS Trade Authorization Mechanism:

1. First, identify the scope of AUKUS programs. This will optimize operations and compliance, as both government and industry will have a clear understanding of which uses/programs are authorized under this Mechanism.
 2. Second, identify what technologies are not eligible under this Mechanism.
 3. Third, identify which communities in each country would be approved for access to the technology, which includes an obligation to record what is transferred and to secure and protect the technology. This will help reduce the likelihood of unauthorized diversion of sensitive defense technologies and, if necessary, help to investigate any potential diversion.
- ◆ Next, utilization of ATAM will proceed as follows:
 - The exporter must check proposed transfers under AUKUS against these three basic and transparent criteria (programs, technologies, and authorized communities) that Defense and State would develop, and review with partners.
 - Transfers beyond the UK or Australia, or transfer to a non-AUKUS program or a community not eligible to receive it, would require standard non-ATAM authorization.
 - Based on legislation, the U.S. government would need to notify shipments under this authorization exceeding \$100 million at least 15 days prior to the shipment. Existing systems will be utilized to conduct congressional notification.
 - ◆ The AUKUS Trade Authorization Mechanism will allow DCS transfers of some items typically transferred only under FMS.
 - ◆ The AUKUS Trade Authorization Mechanism offers an immediate solution to expedite and secure defense transfers of U.S. defense items for AUKUS projects, leveraging existing authorities (§ 126.4 of the ITAR) to allow seamless and speedy defense trade.

For further information, please contact the Bureau of Political-Military Affairs, Office of Congressional and Public Affairs at PM-CPA@state.gov, and follow the Bureau of Political-Military Affairs on Twitter, @StateDeptPM.

TAGS

[Bureau of Political-Military Affairs](#)

White House

USA.gov

Office of the Inspector General

Archives

Contact Us



Privacy Policy

Accessibility Statement

Copyright Information

FOIA

No FEAR Act