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Final Rule Eases Drone Export Controls, Alongside New Tariffs on Drone Imports

John P. Barker, Deborah A. Curtis, Lynn Fischer Fox, Nicholas L. Townsend, Trevor G. Schmitt, Bell Johnson, Sarah Belmont, Dustin Vesey, and Kristina Lorch*

In this article, the authors examine two actions taken recently by the U.S. government aimed at strengthening the competitiveness of its domestic drone industry.

The U.S. government recently took two actions aimed at strengthening the competitiveness of its domestic drone industry. First, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) issued a final rule, effective immediately, that eases export control restrictions on many commercial unmanned aerial vehicles (UAVs or drones), related parts and components, and associated software and technology. Second, President Donald Trump issued a presidential proclamation implementing Section 232 tariffs on certain drones and critical components. Taken together, these measures are designed to support the growth of the domestic drone sector by easing exports of lower-risk commercial UAVs, promoting U.S.-based manufacturing and sourcing by restricting imports, and maintaining controls on advanced technologies that raise national security concerns if transferred to certain foreign actors.

BIS's Reduced Export Controls on UAVs

BIS's final rule implements part of Executive Order 14307, "Unleashing American Drone Dominance," issued on June 6, 2025, which directed the Departments of Commerce, Energy, State, and Defense to review and revise restrictions under the Export Administration Regulations (EAR) to facilitate the export of UAVs to foreign partners. The most significant changes brought about by BIS's new rule are that BIS removed National Security Column 2 (NS2) controls from Export Control Classification Number (ECCN)

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9A012.a, eliminated wind gust tolerance as a control parameter, and increased the endurance threshold for national security controls from 30 minutes to three hours. As a result, drones with a maximum endurance of less than three hours generally will be controlled only for anti-terrorism reasons. UAVs with an endurance of three hours or more will continue to be controlled for National Security Column 1 (NS1) and anti-terrorism reasons.

The rule does not relax controls on certain higher-risk UAV capabilities. Drones with a range of at least 300 kilometers (approximately 186 miles), or that otherwise meet the parameters of ECCN 9A120, remain subject to missile technology controls. BIS also retained heightened controls for certain UAVs, regardless of endurance, that incorporate specified lasers, thermal imaging equipment, or navigation systems. According to BIS, these controls are intended to prevent adversaries from acquiring sensitive optical or navigational equipment by buying inexpensive, low-endurance drones fitted with high-performance, easily detachable payloads or equipment.

BIS also made conforming changes to UAV-related software and technology controls. As a result, many commercial drones, as well as related software and technology, may now be exported, reexported, or transferred (in-country) to most destinations on a No License Required basis. However, BIS preserved military end-use or military end-user restrictions by adding ECCNs 9A012, 9D001, 9D002, 9D004, and 9E001 to Supplement No. 2 to Part 744 of the EAR.

The rule also clarifies the treatment of UAVs designed for military applications. BIS explained that certain drones not covered by the International Traffic in Arms Regulations' U.S. Munitions List may nevertheless be classified under ECCN 9A610 if they are designed or modified with military-specific capabilities that would not ordinarily be included in a commercial product. BIS further expanded the availability of License Exception Strategic Trade Authorization for certain UAVs classified under ECCN 9A610 and destined for Country Group A:5 countries. This expanded eligibility is available only where the UAV does not exceed specified capability thresholds, including the ability to deliver a payload of 500 kilograms (approximately 1,102 pounds) to a range of at least 300 kilometers.

Overall, the rule represents a meaningful relaxation of restrictions for many commercial UAVs and related software or

technology. BIS's stated objective is to better align the EAR with the current drone landscape by removing restrictions on widely available commercial capabilities while focusing controls on UAVs that present more significant national security concerns.

President Trump's New Tariffs on UAV Imports

On the same day BIS issued its final rule, President Trump issued a proclamation under Section 232 of the Trade Expansion Act of 1962, imposing tariffs on UAVs and related components. The proclamation follows an investigation by the U.S. Department of Commerce that determined imports of such items may threaten U.S. national security due to foreign supply-chain dependence, cybersecurity concerns, and inadequate domestic production capacity to meet anticipated military and commercial demand.

Effective September 3, 2026, imports of (1) drones with a maximum take-off weight of more than 25 kilograms (approximately 55 pounds), (2) drones that integrate thermal imagers, (3) drone docking stations, and (4) certain drone components will be subject to a 100 percent tariff.

The products covered by this tariff are identified by the respective Harmonized Tariff Schedule (HTS) Codes in Annex I. Other drones with a maximum take-off weight of 25 kilograms or less will be subject to a 25 percent tariff, with the covered products identified by HTS Code in Annex II. Meanwhile, starting on February 9, 2027, certain drone components identified by their HTS Codes in Annex III will be subject to a 25 percent tariff. The proclamation delays implementation for companies included in the Department of Defense's Blue UAS Cleared List, the Blue UAS Framework, or the Federal Communications Commission's Conditional Approval List as of September 2, 2026, until February 9, 2027. The delayed implementation covers Covered Products that are included on the Federal Communications Commission's Conditional Approval List and their components, as well as products included on the Department of Defense's Blue UAS Cleared List and their components.

Lower tariff rates will be applied to products of EU member states, Japan, South Korea, Taiwan, Switzerland, Liechtenstein, and the United Kingdom. Qualifying UK products will be subject to a total duty rate not to exceed 10 percent, while qualifying products from the other jurisdictions will face a maximum duty rate of

15 percent. These reduced rates are only available "if substantially all the critical components and technology are certified by importers to be products" of those countries or of the United States.

Companies should be aware that the tariff regime remains subject to change, as the proclamation grants the Secretary of Commerce broad authority to expand tariff coverage to additional UAV components and to revise prior coverage determinations as national security considerations evolve.

The proclamation also directs the Secretary of Commerce to establish an onshoring incentive program. Under the program, companies that commit to building, expanding, or refurbishing U.S. facilities for the production of UAVs and related components, may qualify for temporary relief from Section 232 duties on certain imported products and production equipment while those facilities are under development. To qualify for tariff relief, construction must begin before the end of the Trump administration on January 20, 2029.

The Secretary of Commerce is authorized to approve onshoring plans and may consider the following factors:

1. whether the plan has received conditional approval from the Departments of Defense and Homeland Security;
2. the anticipated start date;
3. the reasonableness of the project's timeline and milestones;
4. projected annual production capacity; and
5. the manner in which any tariff-related benefits will be allocated among participants.

Takeaways

These regulatory developments reflect the Trump administration's ongoing efforts to advance national security and industrial policy objectives in the UAV market. Together, the BIS rule and the new Section 232 tariffs are intended to strengthen the competitiveness of the domestic drone industry by facilitating broader access in foreign markets while incentivizing domestic production and supply chain localization by imposing tariffs on imports. Companies operating in the UAV sector should carefully evaluate both the opportunities created by the revised export controls and the potential costs and sourcing implications associated with the new

tariffs. Businesses should also monitor any future development closely as the U.S. government may continue to refine the regulatory framework in the drone sector.

Note

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