President George W. Bush announced on January 22, 2008 a series of steps the Administration will take to ensure that dual-use export control policies and practices support the National Security Strategy while facilitating U.S. economic and technological leadership. The United States faces unprecedented security challenges from threats of terrorism to proliferation of weapons of mass destruction and advanced conventional weapons to instability in a number of regions in the world. The United States also faces unprecedented economic challenges from the increasing worldwide diffusion of high technology and global markets. The United States must, therefore, ensure that the dual-use export control system is precisely focused to meet those challenges. To enhance the focus of the dual-use export control system, the President has directed steps be taken on the following:

Foreign End-Users: To adapt to the changing threat environment and the globalization of technology and markets, the dual-use export control system will increasingly focus on foreign end-users of U.S. high technology products. This focus will facilitate trade to reliable foreign customers, while denying access to sensitive technologies to proliferators, international terrorists, and other foreign parties acting contrary to U.S. national security and foreign policy interests.

The focus on foreign end-users includes the Validated End User (VEU) program for reliable foreign companies and imposing additional scrutiny of exports to foreign parties with a record of activities contrary to U.S. foreign policy and national security interests through expansion of the Department of Commerce's Entity List.

U.S. Competitiveness: Technological and economic competitiveness are key to the U.S.'s long-term national security. As such, the United States needs to ensure that export controls are constantly reassessed to ensure that the most sensitive items are controlled to sustain U.S. economic competitiveness and innovation.

The focus on U.S. competitiveness includes developing a regular process for systematic review of the list of controlled dual-use items (the Commerce Control List), revised controls on intra-company transfers, revised controls on encryption products, and a review of reexport controls.

Transparency: U.S. exporters need sufficient information to support U.S. security and competitiveness goals.

The focus on transparency includes publication of advisory opinions on the Department of Commerce's website, as well as lists of foreign parties warranting higher scrutiny.

These areas of focus are consistent with the recommendations made by a number of industry groups. The Administration is committed to working closely with industry to implement these reforms to ensure that dual-use exports are controlled to address emerging security threats while maintaining the economic competitiveness of the United States.

The Administration also continues to strongly support reauthorization of the Export Administration Act with updated penalties and enhanced law enforcement authority to ensure U.S. dual-use export control policies can be vigorously enforced.