

Go to Activity Chart

9. Nonproliferation and Export Control Cooperation

BXA established the Nonproliferation and Export Control Cooperation (NEC) team in early 1994 to coordinate BXA's activities in support of U.S. export control cooperation programs with Russia, Ukraine, Kazakhstan, Belarus, the Central Asian, Caucasus, Baltic, and Central European States.

During Fiscal Year 1998, the NEC team, in conjunction with other BXA organizations and with representatives from the Departments of State, Defense, Energy, and the U.S. Customs Service, hosted or coordinated 31 technical exchange workshops, including cooperative bilateral activities with Russia, Ukraine, Kazakhstan, Belarus and several Central Asian and Caucasus states, and multilateral activities with the Baltic States of Estonia, Latvia, and Lithuania, and with the South Central European states of Bulgaria, Moldova, and Romania.

The central theme for these technical exchange workshops was to familiarize the countries with the elements that constitute an effective export control system and to assist them in developing their own export control systems. Toward this goal, legal authorities were described, licensing procedures and processes were shared, preventive enforcement techniques were explained, the need for government and industry cooperation on export control matters was emphasized and demonstrated, and automation program techniques to simplify a country's national export control system and make it more reliable and accessible were explained.

In Fiscal Year 1998, The Nonproliferation Export Control Cooperation program, saw major strides in development of national export control systems by the Newly Independent States (NIS) of the former Soviet Union, the Baltic States, and some countries in Central Europe.

The NEC team coordinates its technical exchange workshops with appropriate officials of the Departments of State, Defense, and Energy, the Arms Control and Disarmament Agency (ACDA), and the U.S. Customs Service. The outcome of these workshops has been to reduce the proliferation threat from and through the participating countries.

BXA plays a major role in the U.S. interagency program of cooperative export control exchange workshops. The NEC team coordinates the participation of export control experts from all areas of BXA and the Office of Chief Counsel for Export Administration (OCC). Because BXA holds responsibility in all technical areas of export controls, it takes the lead in a wide range of technical exchange workshops. These include workshops to address:

The Legal Basis And Framework Of Export Controls

In these workshops, legal experts focus on the legal basis and framework necessary for an effective and comprehensive export control system, including statutory authorities and implementing regulations.

Export Control Licensing Procedures and Practices

Licensing procedures and practices are the mechanisms by which individual export license decisions are made. These workshops focus on dual-use license application processing, including the method of recording decisions electronically and tracking the status of license applications. The purpose and guiding philosophy of the U.S. control list, its international development, the legal basis for controlling U.S. exports, the techniques and procedures for obtaining commodity classifications, and the procedure for resolving interagency disputes among U.S. government agencies that have various export control responsibilities and authorities also is reviewed.

To demonstrate the need for a national control list and the interagency process, several fictitious case studies are presented to illustrate U.S. government procedures. Participating foreign officials are also given the opportunity to explain their export licensing systems to BXA officials.

Export Enforcement

The emphasis of these workshops, presented by NEC staff members and Export Enforcement officials, is on export enforcement techniques. Such mechanisms as pre-license checks, post-shipment verifications, safeguard programs, and the use of criminal and administrative sanctions to deter illegal exports are discussed. Enforcement techniques are presented in the context of the global problem of proliferation of weapons of mass destruction, including, nuclear, chemical, and biological weapons and missile delivery systems.

Government-Industry Relations

In these workshops, the interlocking roles of industry and government in achieving export control cooperation is emphasized and addressed. BXA officials and industry representatives explain how government and business can work together to achieve common goals and objectives and each can simplify the task of the other.

These technical exchanges provide a business perspective on export controls, explaining the importance of voluntary industry compliance with export controls and why industry provides technical expertise via Technical Advisory Committees to U.S. Government agencies. Workshop sessions address why export controls are necessary; why industry support is essential; the role of industry-government cooperation in the formulation of laws

and implementing legislation; the mechanisms that promote industry participation; voluntary compliance; and industry internal control programs.

Export Control System Automation

In Fiscal Year 1998, the NEC team assisted the target countries to automate their export licensing systems. Electronic processing of licensing applications not only reduces delays of business transactions, but enhances business confidentiality and against internal corruption. BXA automation experts lead system automation technical exchange workshops and assist countries to automate their export control licensing functions. BXA representatives assess the need for, design and develop comprehensive licensing systems in cooperation with a country's senior export control officials, discuss and demonstrate BXA's automation system, and its interagency control features.

Technical Exchange Workshops

Kazakhstan

C Executive Exchange, Washington, D.C., September 29-October 3, 1997:

The seven member delegation of officials responsible for various facets of export controls was familiarized with the U.S. export control system. This forum focused on interagency coordination, legal elements, export control administration, licensing practices, export enforcement, industry-government relations and customs techniques.

C Executive Exchange, Washington, D.C., September 21-25, 1998:

This Executive Exchange focused on U.S. export control systems and interagency coordination. The aim of this workshop was to provide eight senior Kazakhstan officials responsible for the development and implementation of Kazakhstan's export control system an opportunity to observe the functioning of the U.S. system. Topics included interagency coordination and cooperation, legal basis and framework, licensing practices, export enforcement, industry-government relations, and the importance of regional export control cooperation.

Ukraine

C Legal Forum, Washington, D.C., December 8-12, 1997:

The forum focused on the draft export control legislation drafted by the government of Ukraine which was undergoing final governmental review before being presented to the Ukrainian parliament as proposed legislation. U.S. participants provided comments on the decree. The Ukrainian delegation at this five-day forum consisted of members of the

Ukrainian parliament and government officials.

C Industry-Government Relations Workshops, Kiev, November 18-20, 1997 and September 21-24,1998.

In November 1997, the role of government and industry in achieving export control cooperation was explained to Ukrainian business and government officials during a workshop held in Kiev, Ukraine. A fifteen-member delegation of U.S. officials and industry representatives met with officials of various Ukrainian enterprises to introduce them to international standards and practices of modern export control systems, with a particular emphasis on the structure and operation of a company's internal control program (ICP). Workshop topics addressed the need for export control laws and the mechanisms that promote industry participation such as voluntary compliance and the use of an ICP by exporting organizations.

In September 1998, BXA led a delegation to Kiev to attend an Ukrainian-sponsored Industry-Government Relations Conference. The event picked up on the themes of the 1997 conference.

The U.S. delegation held private discussions and visits with officials of Ukrainian enterprises to compare their ICP procedures.

C Licensing Automation and Tracker Evaluation Workshop, Washington, D.C., May 4-8, 1998:

BXA/NEC hosted this workshop for the Ukraine from May 4-8, 1998 in the BXA/NEC Technical Information Center to evaluate the current version of the Tracker 97 software that export control agencies can use to track license applications through the complete process of consideration and action. The purpose of this visit was to demonstrate the functionality of Tracker 97 and discuss how it fits within the context of Ukraine's license decision processes. Other technical issues covered during the workshop included discussion of Tracker operating environment features including security and telecommunications.

C Tracker Site Survey, Kiev, May 18-22, 1998:

One NEC staff member participated in an interagency site survey pursuant to an agreement for the deployment of automated export control system software and hardware in Ukraine.

C Workshop on Conversion to the European Union Control List, Kiev, May 25-29, 1998:

This workshop was designed to urge and assist Ukraine's adoption of the European

Union (EU) Control list structure as the basis for its own national control list. A prototype workbook that explained the benefits of adopting the EU Control List was presented to Ukrainian officials.

Armenia, Georgia, Kyrgyzstan and Uzbekistan

- C Export Control Enforcement Workshop, Washington, D.C., October 20-24, 1997
- C Export Control Enforcement Workshop, Washington, D.C., January 20-23, 1998:

BXA hosted enforcement workshops for Armenia and Georgia in October 1997 and for Kyrgyzstan and Uzbekistan in January 1998. The workshops focused on prevention, investigation and prosecution of export control violations. The legal basis and framework of the U.S. export control system and the enforcement authorities of the Export Administration Act were explained. Actual criminal and administrative case studies were utilized. The role of international cooperation in BXA's enforcement activities was described. Pre-license checks, post-shipment verifications, and the use of criminal and administrative sanctions to deter illegal exports were discussed. The workshop also included a visit to Dulles Airport where enforcement techniques were demonstrated by the U.S. Custom Service.

Belarus

- C Licensing Procedures and Practices Workshop, Washington, DC, February 2-6, 1998:

Licensing procedures and practices were presented to six officials from Belarus in February 1998. The workshop addressed the standards, practices, and procedures of export licensing to the foreign officials responsible for interpreting and implementing export control laws and decrees.

Estonia/Hungary

- C Tracker Evaluation and Testing, Washington, D.C., January 20-23, 1998.

BXA demonstrated the Tracker automated export licensing system and its means of employment and value in the interagency license application process.

Romania

- C Tracker Evaluation and Testing, Bucharest, February, 17-20, 1998:

BXA demonstrated the Tracker automated export licensing system and its means of employment and value in the interagency license application process.

Azerbaijan and Kyrgyzstan

C Legal Technical Forum I, Washington, D.C., May 11-15, 1998

C Legal Technical Forum II, Washington, D.C., June 1-3, 1998:

Legal programs were presented for the delegations from Azerbaijan (May 11-15) and Kyrgyzstan (June 1-3). In the program for Azerbaijan, legal experts discussed the legal authorities needed for a comprehensive and effective export control system. Topics included controls on exports of dual-use items, arms, and nuclear equipment, materials and technology; embargoes, arms imports; the authority and perspective of the U.S. Department of Defense and the U.S. Customs Service; transit authorities; and Azerbaijan's export control authority.

In the program for Kyrgyzstan, U.S. representatives provided comments on Kyrgyzstan's draft export control law, which was written following the initial legal exchange with Kyrgyzstan in 1997. (Kyrgyzstan officials expect the law to be enacted in 1999.)

Georgia

C Export Control Legal Technical Forum II, Tbilisi, Georgia, March 23-27, 1998:

In this forum, U.S. representatives from BXA/NEC, OCC, and the Office of the Chief Counsel for the Customs Service provided comments to Georgian government officials and members of its parliament on Georgia's pending export control legislation. Georgia subsequently enacted an export control law which became effective in September 1998 and was the first Caucasus state to enact such a law.

Czech Republic

Uzbekistan and Kyrgyzstan

Slovakia

C Licensing Procedures and Practices Workshop, Washington, D.C.; March 23-27, 1998

C Licensing Procedures and Practices Workshop, Washington, D.C.; April 6-10, 1998

C Licensing Procedures and Practices Workshop, Washington, D.C.; May 2-9, 1998

C Licensing Procedures and Practices Workshop, Washington, D.C.; May 18-22, 1998

Technical exchange workshops on licensing procedures and practices were conducted for officials responsible for interpreting and implementing export control laws and decrees from the Czech Republic (March 23-27), Uzbekistan and Kyrgyzstan (April 6-10), Ukraine (May 2-9), and Slovakia (May 18-22), focusing on standards, practices, and procedures in

export licensing.

Russia

- C Government-Industry Cooperative Workshop, Boston, MA/Dallas, TX/San Antonio, TX, April 13-17; 1998:**

BXA hosted an Government-Industry Cooperative Workshop for officials from Russia from April 13-17, 1998. This forum was designed to convey to the participants that cooperation between industry and government is a prerequisite for effective enforcement and to let participants directly observe methods used to achieve a successfully functioning relationship between industry and government this in the U.S. Russian enforcement officials heard U.S. industry representatives' views on the U.S. export control system and discuss those with them. The exchange also emphasized the value, in a market economy, of an independent industry perspective on export controls and strong industry support for those controls. U.S. and Russian government officials also exchanged views on topics related to the administration of export controls and on legal, licensing, and enforcement subjects.

- C Industry-Government Relations Forum, Chicago, Il., June 7-10, 1998**
C Industry-Government Relations Forum, Washington, D.C., June 11-12, 1998:

To further industry-government cooperation on export controls within Russia, BXA/NEC conducted two Industry-Government Forums, one in Chicago (June 7-10) and a second in Washington, D.C. (June 11-12). The purpose of these was to encourage industry-government cooperation on export controls through the exchange of views between U.S. and Russian business executives and government officials on topics related to the administration of export controls and on legal, licensing, and enforcement subjects. Visits to various high technology U.S. companies provided the Russians the opportunity to see how U.S. businesses deal with export controls, demonstrated the importance of a cooperative relationship on export controls between industry and government, and emphasized that voluntary industry compliance with export regulations is essential for an effective export control system.

- C Industry Internal Control Program Workshop, Moscow, September 15-18, 1998:**

As part of the continuing U.S.-Russian export control technical exchanges, a delegation of five U.S. industry representatives and three government officials observed the installation of version 1.0 of the Internal Control Program Training Tool (ICP) at six Russian enterprises, and assisted Russian enterprises to understand how to enhance their internal controls to achieve and maintain compliance with Russian export control rules and regulations, particularly the Cabinet of Ministers Resolution No. 57 (January 1998) "On the Further Strengthening of Export Control for Dual-Use items related to Weapons

of Mass Destruction.

Czech Republic

- C Industry-Government Relations Conference, Prague, Czechoslovakia, June 23-24, 1998:**

Approximately 100 senior Czech industry representatives, senior Czech government officials, and a delegation of U.S. industry representatives and government officials participated in this conference. The central theme of the conference was the role of industrial firms and exporters in the control of dual-use goods and technologies.

Bulgaria

- C Tracker Survey, Sofia, March 10-15, 1998:**

BXA staff participated in a site survey to assess the system requirements for future installation of the Tracker automated export licensing system software in Bulgaria.

Estonia, Latvia, and Lithuania

- C Licensing Administration Processing, Practices, and Procedures, Level II, Technical Workshop, Washington, D.C., March 30-April 3, 1998:**

This workshop acquainted officials from Estonia, Latvia, and Lithuania, and with current developments in Tracker software and the various capabilities available with this software and enabled them to gain understanding of complex aspects of national export license processing in a seminar setting and by means of visits to U.S. agencies with export control responsibilities.

Belarus

- C LOIS and ICP and Hardware Installation, Minsk, June 1-5, 1998:**

During June 1-5, 1998, a BXA/NEC automation specialist participated in the installation, configuration, and testing of hardware and software that will be used for an export control staff training program by the government of Belarus. The software, located at the government's National Security Institute, will be used to train export control

licensing officers and included the export control Licensing Officers Information System (LOIS) and model internal control program (ICP) software that Belarusian enterprises can install and tailor to their specific needs.

Latvia, Lithuania, and Romania

- C Industry-Government Relations Conference, Riga, Vilnius, September 28-29, 1998**
- C Industry-Government Relations Conference, Bucharest, October 1-2, 1998:**

A 12 member delegation of U.S. officials and U.S. industry representatives participated in these conferences in Latvia, Lithuania, and Romania to address of Industry-Government Relations with respect to export controls. Representatives from United Technologies, Inc., GTE Corporation, Westinghouse, and The Boeing Company gave presentations on the role of industry, and industry's relationship to government, in achieving the U.S. export control system and how vital industry-government cooperation is. They also related their experiences with the ICP in their respective companies. Over 100 participants representing exporters in the three countries participated in the conferences.

Special Activities

- C Washington Intensive Nonproliferation Seminar, Washington, D.C, April 22, 1998**

BXA/NEC staff assisted the Monterey Institute's Center for Nonproliferation Studies in hosting a Washington intensive nonproliferation seminar for a representative of the People's Republic of China.

- C Fifth Annual Symposium for Foreign Export Control Officials, Washington, D.C., July 6-10, 1998.**

Held in conjunction with Update'98, this event was attended by senior export control officials from twenty-two countries, including for the first time, representatives from Central Asian and Caucasus countries. This year's program had as its theme "National Support of International Control Regimes" and featured presentations on the organizational goals and benefits of membership in or adherence to the tenets of these regimes, by representatives of the Missile Technology Control Regime, the Nuclear Suppliers Group, the Australia Group, and the Wassenaar Arrangement. Representatives from U.S. agencies told participants how their agencies prepare for regime meetings. In addition, each country delegation gave presentations on current developments in its national export system.

- C Export Control Seminar, Moscow, Russia, March 30, 1998:**

BXA/NEC and OCC staff participated in a seminar conducted by the Russian Center

for Export Controls (CEC) at the Russian Space Agency. The U.S. representatives answered questions about the structure and scope of U.S. export controls.

C “Catch-all” Forum, Moscow, Russia, April, 1998:

BXA and OCC staff were members of an interagency delegation that discussed with Russian participants the implementation of catch-all controls by both the U.S. and Russia. The U.S. participants explained the legal basis, implementing regulations, license review, and enforcement of U.S. catch-all controls.

C Export Control Seminar, Yekaterinburg, Russia, June 29 - July 1, 1998:

BXA/NEC staff participated in a seminar in Yekaterinburg, Russia from June 29-July 1, 1998. Sponsored by the Moscow-based Center for Export Control (CEC). U.S. participants demonstrated the latest version of the Internal Control Program (ICP) training tool developed for use by Russian enterprises. The CEC will install and demonstrate prototype software at several Russian enterprises toward the end of 1998. In addition, the software, keyed to the Russian National Control Lists, provides company export control officials a self-paced training platform so they can learn and understand the process for setting up an ICP within their own companies.

Department of Defense/Federal Bureau of Investigation Counterproliferation Program

BXA/Export Enforcement and OCC staff lectured in the seminars for delegations from Kyrgyzstan (February) and Georgia (June) at the International Law Enforcement Academy in Budapest, Hungary which were conducted as part of the Department of Defense/Federal Bureau of Investigation Counterproliferation Program. Commerce representatives explained the legal basis and framework for U.S. controls on dual-use exports and how Commerce enforces those controls.

BXA/NEC and OCC staff hosted delegations from Kazakhstan (March 9-13) and Uzbekistan (April 20-24) as part of a forum to provide an overview of counterproliferation legal authorities, also conducted the DOD/FBI counterproliferation program. For Kazakhstan, BXA/NEC representatives stressed the importance of establishing appropriate regulations to implement and penalties to enforce Kazakhstan’s export control law. As a result of this exchange, Kazakhstan amended its criminal code and is reviewing further amendments. For Uzbekistan, BXA/NEC representatives stressed the importance of a comprehensive export control law as the basis for an effective export control system.

