

November 2007

# DEFENSE TRADE

## State Department Needs to Conduct Assessments to Identify and Address Inefficiencies and Challenges in the Arms Export Process





Highlights of [GAO-08-89](#), a report to the Committee on Foreign Affairs, House of Representatives

### Why GAO Did This Study

To regulate the export of billions of dollars worth of arms to foreign governments and companies, the Department of State's (State) Directorate of Defense Trade Controls (DDTC) reviews and authorizes export licenses and other arms export cases. While such reviews require time to consider national security and foreign policy interests, the U.S. defense industry and some foreign government purchasers have expressed concern that the U.S. export control process is unnecessarily time-consuming.

In 2005, GAO reported that processing times for arms export cases had increased despite State efforts to streamline its process. GAO was asked to (1) describe recent trends in the processing of arms export cases and (2) identify factors that have contributed to these trends.

To conduct its work, GAO obtained and analyzed State arms export case data for fiscal year 2003 through April 30, 2007; reviewed relevant laws, regulations, and guidelines, as well as DDTC funding and staffing information; and interviewed State and Department of Defense officials and selected arms exporters.

### What GAO Recommends

GAO is recommending that State conduct systematic analyses to help achieve efficiencies in the processing of arms export cases. State concurred with GAO's recommendation.

To view the full product, including the scope and methodology, click on [GAO-08-89](#). For more information, contact Ann Calvaresi-Barr at (202) 512-4841 or [calvaresibarra@gao.gov](mailto:calvaresibarra@gao.gov).

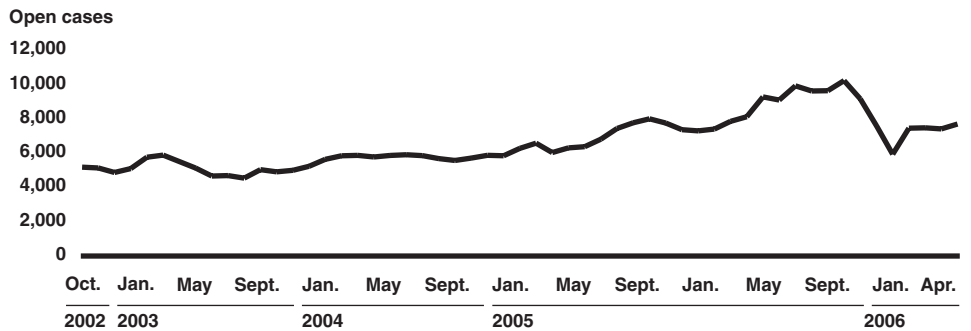
## DEFENSE TRADE

### State Department Needs to Conduct Assessments to Identify and Address Inefficiencies and Challenges in the Arms Export Process

#### What GAO Found

Three key trends indicate that DDTC's arms export licensing process is under stress. First, the number of arms export cases processed by DDTC increased 20 percent between fiscal years 2003 and 2006. Most of this increase was for licenses for permanent export. Second, during the same period, median processing times almost doubled. Third, the number of open arms export cases increased 50 percent from about 5,000 in October 2002 to about 7,500 in April 2007, with a high of more than 10,000 cases in September 2006. At the beginning of fiscal year 2007, DDTC launched a campaign to reduce the growing number of open cases. Through extraordinary measures—such as canceling staff training, meetings, and industry outreach, and pulling available staff from other duties to process cases—DDTC was able to cut the number of open cases by 40 percent in 3 months. However, such measures are not sustainable in the long term, do not address underlying inefficiencies and problems, and may have negative unintended consequences for the mission.

Open Arms Export Cases, Fiscal Year 2003 through April 30, 2007



Source: GAO analysis of DDTC data.

While some blips in the trends can be attributed to onetime events or efforts—such as DDTC's campaign to reduce open cases—procedural inefficiencies, electronic processing system shortcomings, and human capital challenges underlie the overall trends. For example, GAO's analysis shows that DDTC is taking increasingly longer to refer cases to other agencies or State bureaus for additional review—from 7 days in fiscal year 2003 to 20 days during the first 7 months of fiscal year 2007. In addition, implementation of DDTC's electronic system for submitting applications has been problematic, and electronic processing has not been the promised panacea for improving processing times. DDTC does not perform systematic assessments to identify root causes of increased workload, processing times, and open cases and, in turn, develop sustainable solutions.

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## Abbreviations

DDTC	Directorate of Defense Trade Controls
DOD	Department of Defense
DTSA	Defense Technology Security Administration
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom

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United States Government Accountability Office  
Washington, DC 20548

November 30, 2007

The Honorable Tom Lantos  
Chairman  
The Honorable Ileana Ros-Lehtinen  
Ranking Member  
Committee on Foreign Affairs  
House of Representatives

The State Department (State), through the Directorate of Defense Trade Controls (DDTC), regulates the export of billions of dollars worth of arms<sup>1</sup> by U.S. companies to foreign governments and companies and has responsibility for reviewing and authorizing export license applications and other arms export cases.<sup>2</sup> Reviews of arms export cases require time to deliberate because U.S. national security and foreign policy interests must be considered. However, the U.S. defense industry and some foreign government purchasers have expressed concern that the U.S. export control process is unnecessarily burdensome because of the time needed to complete these deliberations. To facilitate defense cooperation, State announced in 2000 several efforts to reduce arms export processing times, and began the development of a new automated system for submitting and reviewing cases. Despite efforts to streamline the process, we reported that processing times for arms export cases began to increase in 2003.<sup>3</sup>

Over the past decade, we have reported on various problems in the U.S. export control system. Vulnerabilities in the U.S. export control system, along with related government programs,<sup>4</sup> prompted GAO to designate the effective protection of technologies critical to U.S. national security

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<sup>1</sup> For the purposes of this report, “arms” refers to defense articles and services as specified in the United States Munitions List. 22 C.F.R. § 121.1 (2007).

<sup>2</sup> Arms export cases processed by DDTC include applications for the export of arms and agreements between U.S. industry and foreign entities to provide technical assistance or manufacturing capability.

<sup>3</sup> GAO, *Defense Trade: Arms Export Control System in the Post 9/11 Environment*. [GAO-05-234](#) (Washington D.C.: Feb. 16, 2005).

<sup>4</sup> Related programs include the Foreign Military Sales program, the Committee on Foreign Investment in the United States, and the Department of Defense’s program for identifying militarily critical technologies.

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interests as a new high-risk area in 2007.<sup>5</sup> This report looks at a key component of the arms export control system—the licensing review process for arms export cases. Because of concerns about increasing processing times and a DDTC announcement of a significant number of open cases, you requested we evaluate the processing of arms export control cases. Specifically, this report (1) describes recent trends in the processing of arms export cases, including processing times and open cases, and (2) identifies factors that have contributed to the trends in processing these cases.

To conduct our work, we obtained and analyzed State arms export case data for fiscal year 2003 through April 30, 2007, to identify processing trends. We assessed the reliability of the data and determined them to be sufficiently reliable for our purposes. We also examined DDTC and Department of Defense (DOD) case processing guidelines, DDTC funding and staffing information, and applicable laws and regulations. In addition, we interviewed officials from DDTC, State's bureaus to which cases are referred, DOD's Defense Technology Security Administration (DTSA), and selected arms exporters to identify factors affecting processing trends. For more on our scope and methodology, see appendix I. We performed our review from February through September 2007 in accordance with generally accepted government auditing standards.

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## Results in Brief

Our analysis pointed to three key trends in the processing of arms export cases in recent years. First, DDTC's caseload increased 20 percent, from about 55,000 to 65,000 between fiscal years 2003 and 2006. Second, median processing times almost doubled in the same time period, from 14 days to 26 days. Third, the number of open arms export cases increased 50 percent, from about 5,000 in October 2002 to about 7,500 in April 2007, reaching a high of more than 10,000 cases in September 2006. At the beginning of fiscal year 2007, DDTC launched a campaign to reduce the number of open cases. While DDTC was able to cut the number of open cases by over 40 percent over 3 months, it did so by extending work hours and canceling staff training and meetings and other activities to focus on the mounting number of open cases. However, such measures are not sustainable in the long term, do not address underlying inefficiencies and problems, and may adversely affect the mission.

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<sup>5</sup> GAO, *High Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: January 2007).

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Inefficiencies and problems in the license review process are largely affected by procedural weaknesses, shortfalls with the electronic processing system, and human capital challenges. Lack of screening procedures for referring arms export cases outside DDTC have resulted in cases languishing for weeks before any action is taken. While DDTC's new electronic processing system, D-Trade, was intended to improve processing times, the system has not been the panacea the agency expected. Our analysis shows that processing times for like types of cases are virtually the same, regardless of whether the case was submitted through D-Trade or on paper. The system also lacks tools to aid the licensing officer to process cases more efficiently. DDTC also faces human capital challenges in establishing and retaining a sufficient workforce with the experience and skills needed to efficiently and effectively process arms export cases. These factors have largely gone unaddressed because DDTC management does not systematically analyze licensing data to identify inefficiencies and develop solutions to manage its processes and more effectively structure the workforce.

To improve the efficiency of processing arms export cases, we are recommending that State conduct systematic analyses of licensing data to identify potential causes of inefficiencies and develop solutions to better manage its workload, processes, and workforce structure. In commenting on a draft of this report, State concurred with our recommendation and indicated that it has initiated efforts to improve its processes and organizational alignment. Defense had no comments on the draft report.

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## Background

Under the authority of the Arms Export Control Act, State regulates and controls arms exports by U.S. companies to help ensure that those exports are consistent with national security and foreign policy interests.<sup>6</sup> This function has been delegated to DDTC within the Bureau of Political-Military Affairs. DDTC's staffing levels are allocated and funded by State. Funding for other DDTC activities and operations comes from two main sources: (1) appropriated funds that State then allocates to DDTC through the Bureau of Political-Military Affairs, and (2) registration fees, which

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<sup>6</sup> The Arms Export Control Act authorizes the President to control the export and import of defense articles and services. 22 U.S.C. § 2778. The statutory authority of the President to promulgate regulations with respect to defense exports and imports was delegated to the Secretary of State by Executive Order 11958, as amended. This authority is implemented through the International Traffic in Arms Regulations. 22 C.F.R. §§ 120-130 (2007).

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DDTC is authorized to retain to help fund certain activities related to licensing, enforcement, and compliance.<sup>7</sup>

Exporters submit arms export cases via paper or electronically through D-Trade, DDTC's Web-based electronic processing system.<sup>8</sup> Cases include permanent arms export licenses, temporary arms exports or imports, agreements between U.S. industry and foreign entities to provide technical assistance or manufacturing capability, requests for amendments to existing licenses or agreements, and requests to determine commodity jurisdiction.<sup>9</sup> Cases vary in terms of complexity and time to process. For example, agreements generally take longer than other cases because they are complex, require substantial work by licensing officers, and often require interagency review.

Once cases are received, DDTC assigns them to one of five teams, based on commodity categories: firearms, aircraft, missile and spacecraft, military electronics, and military vehicles and naval vessels. Team leaders, in turn, assign cases to a licensing officer, who conducts an initial review to determine whether the case needs a referral to an agency, such as DOD's DTSA, and/or another State bureau for additional review—or whether the case can be reviewed and analyzed internally. Either way, the licensing officer conducts the final review and determines the final action. Final action on cases can only be taken by licensing officers with designated signature authority, which DDTC officials stated takes an average of 18 months of training and experience to obtain. Prior to approving cases that involve exports meeting statutory dollar thresholds

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<sup>7</sup> Registration fees are paid by manufacturers and exporters who must register with State as required by the Arms Export Control Act. 22 U.S.C. § 2778. State can use these funds only for expenses related to such activities as contract personnel assisting in the evaluation of license applications, automation of trade control functions, or enhancement of compliance and enforcement activities. 22 U.S.C. § 2717.

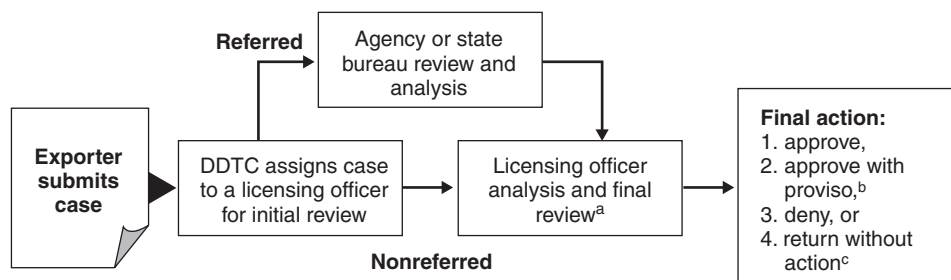
<sup>8</sup> At the time of our review, only certain types of cases could be submitted electronically through D-Trade, including licenses for permanent export, temporary export, and temporary import.

<sup>9</sup> Exporters can request a jurisdiction determination when they are uncertain if an export item is subject to State controls or want an item removed from State's jurisdiction.



and involving selected countries, State must notify Congress.<sup>10</sup> Figure 1 depicts DDTC's licensing review process.

**Figure 1: DDTC's Licensing Review Process**



Source: GAO analysis of DDTC licensing process.

<sup>a</sup>Some cases require congressional notification prior to final action.

<sup>b</sup>Provisos are conditions that limit the use of exported items and technologies.

<sup>c</sup>DDTC returns applications without action when it determines the application does not meet regulatory requirements or does not provide adequate documentation and details.

In addition to reviewing arms export cases, DDTC conducts outreach to educate industry about export controls and promote compliance with laws and regulations.

## Trends Indicate DDTC's Licensing Process Is Under Stress

Our analysis shows several trends have emerged in the processing of arms export cases, which indicate the system is under stress. First, the number of arms export cases processed by DDTC has increased since fiscal year 2003. Most of the increase was for licenses for permanent export. Second, processing times almost doubled from fiscal year 2003 to 2006. Third, the number of open arms cases has increased since fiscal year 2003. While extraordinary actions taken by DDTC to address the mounting number of open cases achieved short-term gains, these actions are not sustainable because they strained personnel and involved deferring other mission-related activities.

<sup>10</sup> For example, the Arms Export Control Act requires that Congress be given at least 15 days written notification of State's intent to approve licenses for defense articles and services valued at \$100 million or more, or for major defense equipment valued at \$25 million or more, to North Atlantic Treaty Organization (NATO) member countries, Japan, Australia, and New Zealand. 22 U.S.C. § 2776(c).

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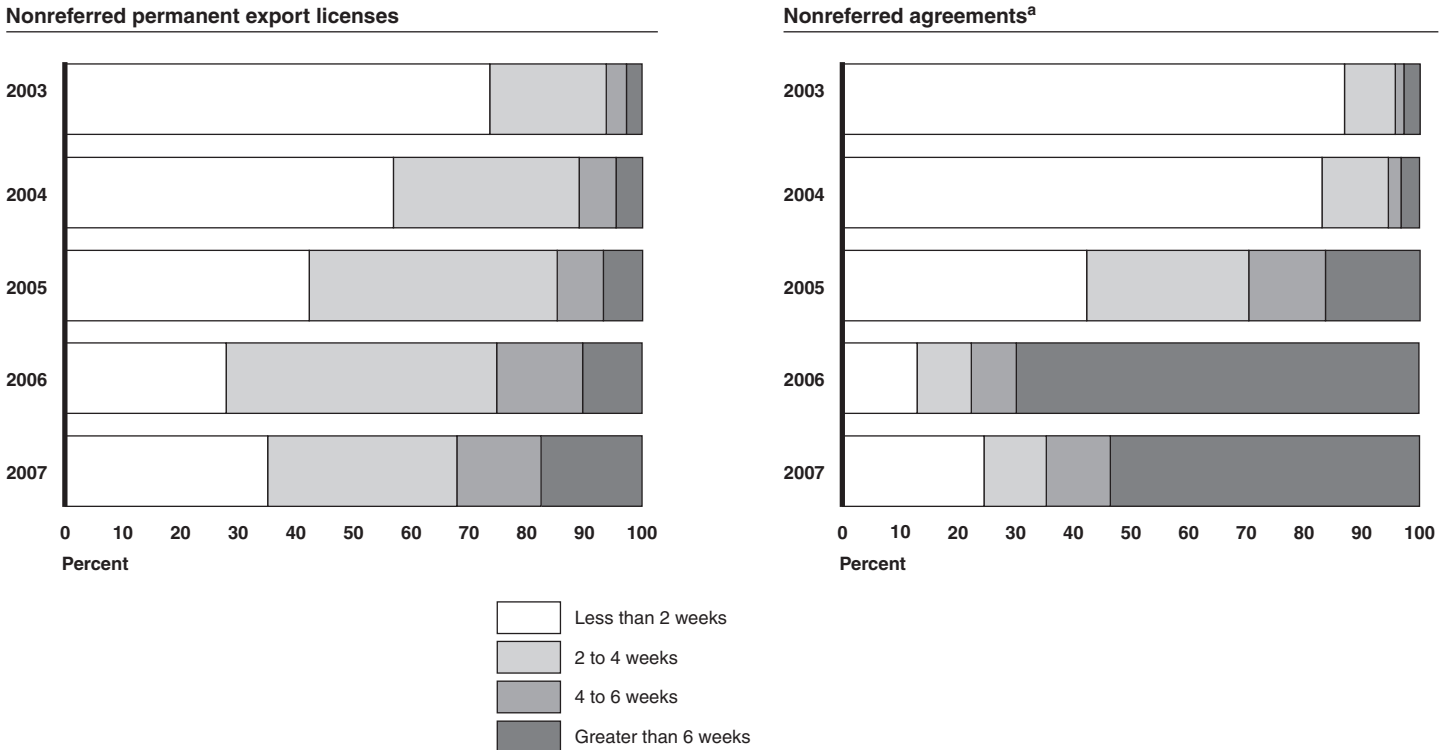
## Arms Export Caseload, Processing Times, and Open Cases Have Significantly Increased

Between fiscal years 2003 and 2006, the arms export caseload processed by DDTC has increased 20 percent, from about 55,000 to 65,000. DDTC officials attributed this growth to several possible factors, including increased globalization of the defense industry and an overall increase in arms exports. In addition, our analysis of the cases processed by DDTC shows that permanent export licenses constituted about two-thirds of all cases, thereby accounting for the major part of DDTC's caseload activity. For these cases, the greatest increase occurred in aircraft and related components among the various types of controlled commodities. Our analysis also showed a high concentration of cases by country of destination—almost half consisted of seven countries, with 25 percent involving Japan and the United Kingdom. In contrast, we found cases are not concentrated by major defense arms exporting companies. In fiscal year 2006, only 21 percent of cases processed involved the top 10 arms exporting firms. (For additional analyses of cases, including type of case, commodities, countries, and expedited cases, see app. II.)

Overall, processing times for all types of cases have increased. Between fiscal years 2003 and 2006, median processing times nearly doubled, from 14 days to 26 days. Some types of cases take longer to process than others, in part because of their complexity. For example, in fiscal year 2006, technical assistance agreements took a median of 94 days to process. However, these agreements made up less than 9 percent of the cases processed for that year, and therefore may not be a significant driver of overall increased processing times. Permanent exports, which constituted the majority of cases, took a median of 25 days to process in fiscal year 2006.

For nonreferred cases, which made up about two-thirds of all cases, DDTC's in-house processing times increased significantly. For example, between fiscal years 2003 and 2006, median processing times for nonreferred cases increased from 8 to 19 days. For the first 7 months of fiscal year 2007, the median processing time was 17 days. Moreover, the number of nonreferred permanent export license cases taking longer than 2 weeks to process increased from 26 percent in fiscal year 2003 to 72 percent in fiscal year 2006. The increase in the percentage of nonreferred agreements taking longer than 2 weeks was even more dramatic—increasing from about 13 percent to 87 percent (see fig. 2).

**Figure 2: Processing Time Frames for Nonreferred Permanent Export Licenses and Agreements, Fiscal Year 2003 through April 30, 2007**



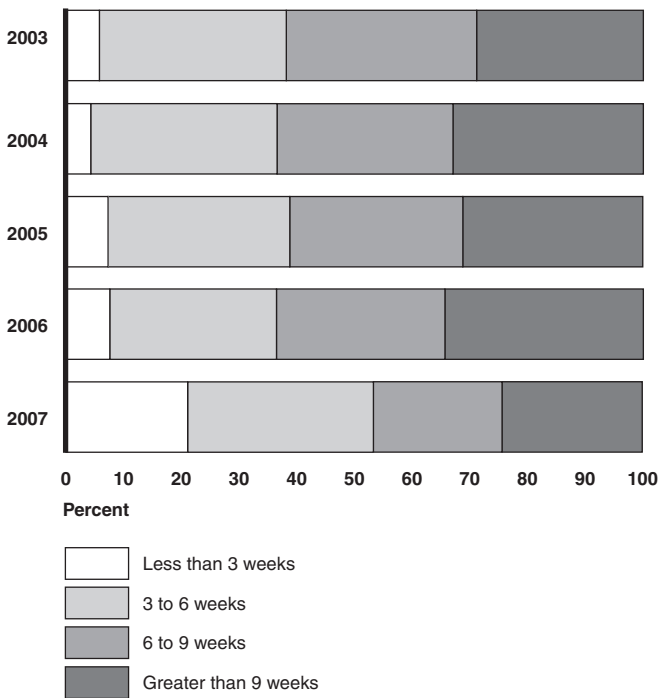
Source: GAO analysis of DDTC Data.

<sup>a</sup>Agreements include technical assistance, manufacturing, brokering, distribution, and generic agreements.

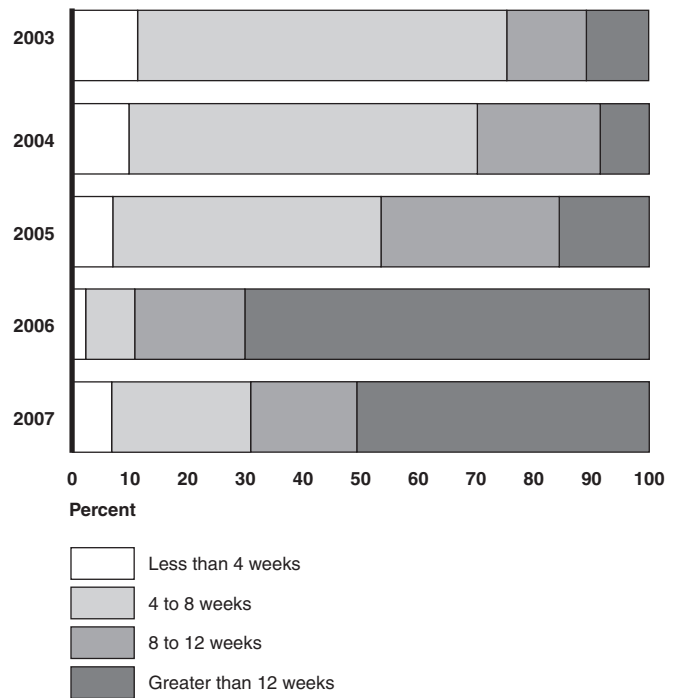
Processing times for cases referred outside of DDTC for review, which made up about one-third of all cases, have also increased. For example, between fiscal years 2003 and 2006, median processing times increased from 49 to 61 days. For the first 7 months of fiscal year 2007, the median processing time was 50 days. Moreover, in fiscal year 2006, 70 percent of referred agreement cases, which tend to take longer to process than other cases, took longer than 12 weeks to process, compared to 11 percent in fiscal year 2003. In contrast, processing times for permanent export license cases referred outside of DDTC have held relatively steady for the past several years (see fig. 3).

**Figure 3: Processing Time Frames for Referred Permanent Export Licenses and Agreements, Fiscal Year 2003 through April 30, 2007**

**Referred permanent export licenses**



**Referred agreements<sup>a</sup>**

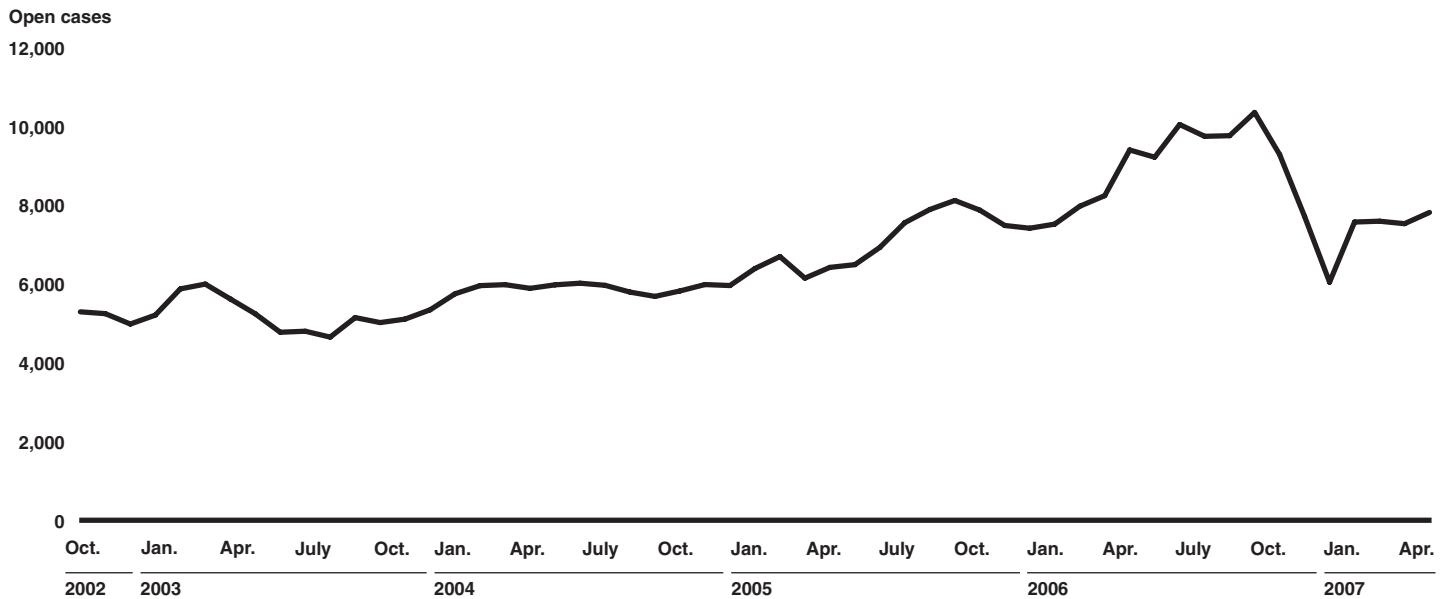


Source: GAO analysis of DDTC data.

<sup>a</sup>Agreements include technical assistance, manufacturing, brokering, distribution, and generic agreements.

The number of open arms export cases has also increased because DDTC has received cases at a higher rate than it processed them. Open cases increased from about 5,000 in October 2002 to about 7,500 in April 2007, reaching a high of more than 10,000 open cases in September 2006 (see fig. 4).

**Figure 4: Open Arms Export Cases, Fiscal Year 2003 through April 30, 2007**



Source: GAO analysis of DDTC data.

### **Actions Taken by DDTC to Achieve Short-Term Gains Are Unsustainable**

At the beginning of fiscal year 2007, DDTC launched its “winter offensive,” a campaign to reduce the growing number of open cases. Through extraordinary measures—such as extending work hours; canceling staff training, meetings, and industry outreach; and pulling available staff from other duties to process cases—DDTC was able to reduce the number of open cases by 40 percent in 3 months. However, DDTC officials told us that these measures were not sustainable for the long term because they put a strain on personnel and deferred mission-related activities.

Not only are these short-term measures unsustainable, they may have unintended adverse consequences. A DDTC official stated the short-term emphasis during the winter offensive was necessary to reduce the number of open cases but may have the unanticipated effect of shifting the focus from the mission of protecting U.S. national security and promoting foreign policy interests to simply closing cases to reduce the queue of open cases.

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## Systemic Inefficiencies Underlie Overall Trends in the Licensing Process

While some blips in the trends can be attributed to onetime events or efforts, such as the winter offensive, the overall trends of increased processing times and open cases are affected by several factors, including procedural inefficiencies, electronic processing system shortcomings, and human capital challenges. DDTC does not perform systematic assessments to identify overall trends and root causes, which could lead to sustainable solutions.

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## Case Processing Encumbered by DDTC Procedural Inefficiencies

While DDTC has established a time frame goal in its guidelines for referring cases outside of DDTC, it has not met this goal.<sup>11</sup> Specifically, the guidelines indicate that DDTC licensing officers should refer cases to other agencies or State bureaus within 10 days of receipt by the licensing officer.<sup>12</sup> Our analysis shows that DDTC has taken increasingly longer to refer cases. As shown in table 1, the median days from when the case was received to outside referral increased from 7 days in fiscal year 2003 to 20 days during the first 7 months of fiscal year 2007. In contrast, the median number of days cases spent outside of DDTC for referral has decreased over the same period from 31 to 18 days.<sup>13</sup>

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<sup>11</sup> In 2007, DDTC established guidelines that cover the export licensing review process, including review and referral of cases.

<sup>12</sup> According to DDTC officials, DDTC has an informal rule that team leaders are supposed to assign cases to licensing officers within 2 days, thereby increasing the overall time frame goal to 12 days.

<sup>13</sup> In 2007, DDTC established a policy limiting review to 15 days of cases referred to State bureaus and other agencies, except for DOD and the Missile Technology Export Committee. DDTC can grant extensions if additional time is needed.

**Table 1: Median Days Processing Time by Steps in the Referral Process, Fiscal Year 2003 through April 2007**

Fiscal year	Days DDTC takes to refer a case	Days at an agency or bureau	Days from receipt of agency or bureau position to final action	Days to complete referred cases
2003	7	31	7	49
2004	10	29	7	51
2005	12	28	8	52
2006	18	27	9	61
2007 <sup>a</sup>	20	18	4	50

Source: GAO analysis of DDTC data.

<sup>a</sup>Data are for the first 7 months of fiscal year 2007.

DDTC has not established procedures to promptly screen most cases to identify those that need outside referral. As a result, cases often languish in a team leader’s or licensing officer’s queue awaiting assignment or initial review. In contrast, DOD’s DTSA—which receives the majority of cases referred by DDTC—uses a team to screen cases daily to determine if cases should be reviewed solely at DTSA or whether they should be referred to military services or other DOD components for further review. In making the decision to refer cases, the team considers such factors as the existence of precedent cases, the level of technology, and the circumstances of the transaction. According to DTSA officials, this process allows them to expedite certain cases and to focus efforts on more complicated cases involving commodities or capabilities not previously exported or presenting special concerns. For referred cases, DTSA officials told us the daily screening process allows them to make the referral in less than 2 days on average. According to DDTC officials, they have recently established a process for promptly referring technical assistance agreements outside DDTC but have not done so for other types of cases.

Until recently, DDTC lacked procedures for expediting certain cases. Specifically, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, enacted in 2004, requires the expeditious processing of arms export cases for the United Kingdom and Australia by State, in consultation with DOD.<sup>14</sup> Although the legislation does not specify a

<sup>14</sup> Pub. L. No. 108-375 § 1225 (2004).

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processing time frame goal, in fiscal year 2006, the processing times for United Kingdom and Australia cases was 21 days, which did not differ significantly from the processing times for other allied countries. (For additional analysis of processing times by country, see app. II.) DDTC officials told us they have been working with DOD on developing procedures to expedite processing for United Kingdom and Australia cases, and recently established a process for doing so.<sup>15</sup>

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## D-Trade Has Yet to Achieve Case Processing Efficiencies

The establishment of a new automated system for processing cases had been cited by State officials as its most significant effort to improve efficiency. However, the anticipated efficiencies have not been realized. Our analysis of processing times shows no significant difference between like types of cases submitted electronically versus paper submissions. For example, in fiscal year 2006, median processing time for permanent export cases submitted through D-Trade was 23 days versus 25 for paper submissions. Although 77 percent of cases are now received electronically through D-Trade,<sup>16</sup> its implementation has been problematic and electronic processing has not been the promised panacea for improving processing times.

According to DDTC officials, poorly defined system requirements and a rush to production led to technical glitches and performance problems. For example, in January 2007, DDTC released a new version of D-Trade, but because of software problems, cases received could not be processed. As a result, the new version was shut down after 3 days, requiring DDTC to revert to the previous version. The 1,300 cases received during the 3-day period had to be resubmitted by exporters, resulting in some rework and an increase in the number of open cases.

DDTC has relied on an information technology solution without reengineering the underlying processes or without developing tools to facilitate the licensing officer's job. In 2001, we reported information systems that simply use technology to do the same work, the same way,

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<sup>15</sup> In June 2007, the United States and the United Kingdom signed a defense trade cooperation treaty that would exempt some arms exports to the United Kingdom from export license requirements. In September 2007, the United States and Australia signed a similar treaty. Until these treaties have been ratified by the United States Senate, they will not have the force of law.

<sup>16</sup> The current version of D-Trade accepts 3 of the 14 types of case processed by DDTC, including applications for permanent export, the most common case type.



but only faster typically fail or reach only a fraction of their potential.<sup>17</sup> While defense industry officials told us that D-Trade simplifies the process for submitting cases and receiving final authorizations, the system lacks tools to aid licensing officers to process cases more efficiently. For example, the system has limited capabilities to reference precedent cases that would allow licensing officers to leverage work previously done on similar cases. The system also lacks other tools, such as automated access to regulations, guidance, or other information that may facilitate processing. DDTC officials said they expect future versions of D-Trade will incorporate tools to help licensing officers process cases more efficiently.

## DDTC Faces Staffing Instabilities

The fundamental work of reviewing and analyzing arms export cases requires an adequate number of personnel with the right skills and knowledge—especially given the continued rise in caseload. However, ensuring a sufficient workforce with the needed skills and knowledge has been a challenge for DDTC because of staffing instabilities. For example, the number of licensing officers on board has fluctuated over recent years and was at the same level in fiscal years 2003 and 2006, yet the number of cases processed increased about 20 percent during the same period (see table 2).

**Table 2: Cases Closed and Licensing Officer Positions Filled, Fiscal Year 2003 through April 30, 2007**

	Fiscal year				
	2003	2004	2005	2006	2007 <sup>a</sup>
Cases closed	54,576	57,885	62,954	65,274	43,642
Licensing officer positions filled <sup>b</sup>	35	31	31	35	34

Source: GAO analysis of DDTC data.

<sup>a</sup>Data are for the first 7 months of fiscal year 2007.

<sup>b</sup>Licensing officer positions include civil service licensing officers and team leaders.

DDTC officials have acknowledged that more work is falling on fewer experienced staff. According to these officials, in the summer of 2006, about one-half of licensing officers had less than 1 year of experience, and many did not have the signature authority needed to take final action on

<sup>17</sup> GAO, *Export Controls: Reengineering Business Processes Can Improve Efficiency of State Department License Reviews*, [GAO-02-203](#) (Washington, D.C.: Dec. 31, 2001).

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cases. For example, early in 2007, one team had three licensing officers but only the team leader had the authority to approve or deny cases. Although the staff could perform research, the team leader had to review all cases before final action could be taken.

Staffing instabilities have also been affected by fluctuating levels of military officers detailed to DDTC from DOD, who are generally assigned to review agreements. The Foreign Relations Authorization Act for Fiscal Year 2003 states the Secretary of Defense should ensure that 10 military officers are continuously detailed to DDTC.<sup>18</sup> However, the number of officers DOD detailed to DDTC has fluctuated over recent years. In fiscal year 2006, the number of military officers detailed to DDTC ranged from 3 to 7. From fiscal year 2005 to 2006, processing times for agreements nearly doubled from 48 days to 94 days. In fiscal year 2007, the number of military officers increased to 8, and by April 2007, processing times for agreements was 72 days. To help address the potential adverse effect of insufficient numbers of military officers, DDTC began assigning additional civilian licensing officers to process agreements in 2006.

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### DDTC Does Not Conduct Systematic Assessments to Identify Root Causes of Problems and to Develop Sustainable Solutions

DDTC management does not systematically assess licensing data to identify inefficiencies. Analysis of these data could allow DDTC to more effectively structure its workforce and manage workload. Instead, DDTC management reviews reports consisting of aggregate information on received, processed, and open cases to determine the status of cases and licensing officer productivity. However, DDTC cannot identify the drivers of the workload or bottlenecks in the process from these status reports. Using DDTC's data, we conducted analyses of factors that can drive workload, such as type of cases, commodities, countries, and profiles of the exporter base (see app. II). Such analyses could provide insights to managers on ways to reduce workload, structure the workforce, target outreach with industry, and reengineer processes. For example:

- By examining caseload by type of commodity, DDTC could assess the impact on workload of potential changes to licensing requirements such as application of or modification to exemptions—if such changes are warranted given the national security risk and foreign policy interests.

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<sup>18</sup> Pub. L. No. 107-228 § 1401(c) (2002).

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- Given DDTC's current organizational structure of teams associated with particular commodities, DDTC could examine its licensing data to determine if there is a concentration of cases by factors other than commodity, such as country. Such analyses could permit DDTC to consider possible efficiencies related to aligning its workforce to where its workload is concentrated. Also, by monitoring processing times for factors driving the workload, DDTC could take corrective actions and reallocate resources before processing times for some types of cases become a problem.
  - By assessing the volume and type of case submissions by exporters, DDTC could better target its industry education and outreach activities to help ensure the quality of submissions and compliance with export control law and regulations.
  - DDTC could analyze the processing times associated with steps in the licensing process—such as time it takes to refer cases—to assess the flow of cases through the review process and identify possible bottlenecks or inefficiencies in the process.

While DDTC has taken actions to achieve some short-term gains to growing problems in its processing of cases, DDTC managers lack systematic analyses to identify root causes and develop sustainable solutions. Federal managers, including those at DDTC, need to monitor and assess their systems to ensure that they are well designed and efficiently operated, are appropriately updated to meet changing conditions, and provide reasonable assurance that the objectives of the agency are being achieved.<sup>19</sup>

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## Conclusions

The licensing of arms exports is a key component of the U.S. export control system to help ensure arms do not fall into the wrong hands. Licensing officers are challenged to weigh national security and foreign policy interests on thousands of cases a year while allowing legitimate defense trade to occur in an efficient manner. However, systemic inefficiencies in arms export licensing are straining the system and may be diminishing licensing officers' capacity to process cases efficiently and

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<sup>19</sup> GAO, *Internal Control Management and Evaluation Tool: Exposure Draft*, [GAO-01-131G](#) (Washington, D.C.: February 2001). See also GAO, *Export Controls: Vulnerabilities and Inefficiencies Undermine System's Ability to Protect U.S. Interests*, [GAO-07-1135T](#) (Washington, D.C.: July 26, 2007).

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effectively. To date, DDTC has not comprehensively analyzed its export processing system to identify causes of inefficiencies and needed actions to address them. Unless DDTC systematically analyzes its licensing data in terms of drivers of workload and steps in the process, it will continue to ineffectively and inefficiently manage its processes, workload, and resources.

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## Recommendation for Executive Action

To improve the efficiency of processing arms export cases, we recommend that the Secretary of State direct the Deputy Assistant Secretary of the Directorate of Defense Trade Controls to conduct systematic analyses of licensing data to assess root causes of inefficiencies and to identify and implement actions to better manage workload, reexamine its processes, determine the most effective workforce structure, and target industry outreach.

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## Agency Comments

We provided a draft of this report to the Departments of State and Defense and for their review and comment. DOD did not comment on our draft. State provided written comments that are reprinted in appendix III. In commenting on the draft, State concurred with our recommendation and recognized the need for additional systematic analyses of data to achieve greater efficiencies. State noted that the report does not reflect the impact of three recent initiatives, which according to State resulted in a 30 percent reduction of open cases from April to October 2007. Because our analysis was through April 2007, we are not able to verify what effects—both short- and long-term—the initiatives have had on the number of open cases. Until State engages in a continual process of systematically analyzing its licensing data, it will have no assurance that current or future initiatives will address the underlying causes and achieve sustainable improvements to the processing of arms export cases.

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As agreed with your office, unless you publicly release its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies of this report to interested congressional committees, as well as the Secretaries of State and Defense; the Director, Office of Management and Budget; and the Assistant to the President for National Security Affairs. In addition, this report will be made available at no charge on the GAO Web site at <http://www.gao.gov>.

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Please contact me at (202) 512-4841 or [calvaresibarra@gao.gov](mailto:calvaresibarra@gao.gov) if you or your staff have any questions concerning this report. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Others making key contributions to this report are listed in appendix IV.

Sincerely yours,

A handwritten signature in black ink that reads "Ann Calvaresi-Barr". The signature is written in a cursive style with a large initial "A" and "C".

Ann Calvaresi-Barr  
Director  
Acquisition and Sourcing Management

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# Appendix I: Scope and Methodology

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To determine trends in arms export case processing by State's Directorate of Defense Trade Controls (DDTC), we obtained State's arms export case data for fiscal year 2003 through April 30, 2007. We obtained data from State's paper-based "legacy" system and its D-Trade system—a Web-based electronic processing system. We merged the data from these two systems and created a single Microsoft Access database to determine trends in caseload, cases processed, open cases, and processing times. Our analysis did not include cases that were approved and then subsequently suspended or revoked because this action takes place after the original cases were closed, and including these cases would thus skew the results. Processing time represents the median number of calendar days between receipt of a case and the final action. Open cases are those cases that were received by DDTC but on which no final action has been taken. To obtain an overview of the data systems used to accept and process license cases at DDTC, we interviewed State officials responsible for information technology management. We assessed data reliability by obtaining and reviewing system documentation and performing electronic testing of data, and determined the data to be sufficiently reliable for our intended purposes. We also analyzed the data by type of license, commodities, countries, cases referred, cases in support of ongoing war efforts, exporters, and case final actions.

To identify factors contributing to trends in processing times and open cases, we interviewed officials from DDTC, State bureaus to which cases are most frequently referred, the Department of Defense's (DOD) Defense Technology Security Administration (DTSA), and selected arms exporters. To understand the process of reviewing arms export cases referred from DDTC, we obtained and reviewed DDTC case review guidelines, applicable regulations, and laws. We compared DDTC procedures with DTSA case processing procedures. To determine the status of D-Trade, we obtained briefings and systems documentation and discussed problems with implementing the electronic processing system and future development plans with cognizant officials. We also compared processing times for D-Trade and paper processing by calculating processing times for permanent exports, which are processed through both systems. We obtained and analyzed data on DDTC funding and staffing levels. We also obtained and reviewed DDTC status reports used to monitor workload, processing times, and open cases.

# Appendix II: Additional Analyses Related to Arms Export Case Processing

This appendix provides additional analyses of licensing data related to the composition of cases closed and case outcomes. Specifically, we analyzed the data in terms of types of cases, commodities, countries of destination, cases in support of ongoing war efforts, exporters, and case final actions.

Of the 14 case types processed by DDTC, licenses for permanent exports made up the majority of cases. From fiscal year 2003 to 2006, the percentage of licenses for permanent exports increased from about 62 percent to over 66 percent of all cases, as shown in table 3.

**Table 3: DDTC Cases Closed by Case Type from Fiscal Year 2003 through April 30, 2007**

Case type	Fiscal year									
	2003	percent	2004	percent	2005	percent	2006	percent	2007 <sup>a</sup>	percent
Amendments	8,725	16.0%	6,364	11.0%	9,603	15.3%	9,001	13.8%	4,547	10.4%
Brokering agreements	34	0.1%	66	0.1%	74	0.1%	47	0.1%	31	0.1%
Classified export/import	244	0.4%	307	0.5%	310	0.5%	292	0.4%	199	0.5%
Commodity jurisdictions	199	0.4%	173	0.3%	181	0.3%	266	0.4%	225	0.5%
Distribution agreements	75	0.1%	68	0.1%	112	0.2%	111	0.2%	76	0.2%
General correspondence	1,035	1.9%	1,335	2.3%	1,288	2.0%	1,217	1.9%	990	2.3%
Generic agreements	519	1.0%	406	0.7%	294	0.5%	293	0.4%	275	0.6%
Government jurisdictions	2	0.0%	1	0.0%	2	0.0%	0	0.0%	3	0.0%
International import certificates	225	0.4%	278	0.5%	210	0.3%	250	0.4%	150	0.3%
Manufacturing agreements	764	1.4%	566	1.0%	598	0.9%	613	0.9%	565	1.3%
Permanent exports	33,718	61.8%	38,682	66.8%	41,093	65.3%	43,167	66.1%	28,871	66.2%
Technical assistance agreements	5,249	9.6%	5,401	9.3%	4,847	7.7%	5,536	8.5%	5,231	12.0%
Temporary exports	2,634	4.8%	3,012	5.2%	3,076	4.9%	3,451	5.3%	1,895	4.3%
Temporary imports	1,153	2.1%	1,226	2.1%	1,266	2.0%	1,030	1.6%	584	1.3%
<b>Total cases closed</b>	<b>54,576</b>		<b>57,885</b>		<b>62,954</b>		<b>65,274</b>		<b>43,642</b>	

Source: GAO analysis of DDTC data.

<sup>a</sup>Data are for the first 7 months of fiscal year 2007.

Processing times varied by type of case, as shown in table 4. For example, in fiscal year 2006, technical assistance agreements took a median of 94 days to process, while licenses for permanent exports, the most common case type, took 25 days, and amendments to existing licenses took 13 days to process.

**Appendix II: Additional Analyses Related to  
Arms Export Case Processing**

**Table 4: Median Days Processing Time by Case Type from Fiscal Year 2003 through April 30, 2007**

Case type	Fiscal year				
	2003	2004	2005	2006	2007 <sup>a</sup>
Amendments	8	8	10	13	8
Brokering agreements	43.5	41.5	34.5	64	95
Classified export/import	31.5	35	36	42	30
Commodity jurisdictions	105	107	111	157.5	126
Distribution agreements	75	84.5	64.5	84	90.5
General correspondence	57	62	52	65	86
Generic agreements	22	14	30.5	91	68
Government jurisdictions	787.5	98	1,171.5	<sup>b</sup>	171
International import certificates	5	5	7	8.5	6
Manufacturing agreements	37	37.5	45	99	83
Permanent exports	13	17	20	25	25
Technical assistance agreements	39	41	48	94	71
Temporary exports	37	36	36	38	33
Temporary imports	13	14	16	22	16.5
<b>All cases</b>	<b>14</b>	<b>18</b>	<b>19</b>	<b>26</b>	<b>27</b>

Source: GAO analysis of DDTC data.

<sup>a</sup>Data are for the first 7 months of fiscal year 2007.

<sup>b</sup>No government jurisdiction cases were closed in fiscal year 2006.

For cases involving permanent export licenses, aircraft and related components were the primary driver of increased cases, increasing about 44 percent, from about 9,800 in fiscal year 2003 to over 14,000 in fiscal year 2006, as shown in table 5. Processing times for permanent export licenses also varied by type of commodity group and were increasing for most commodities from fiscal years 2003 through 2006, with missile and spacecraft taking the longest to process. Several commodity groups saw reductions in processing times during the first 7 months of fiscal year 2007, including a significant reduction in missile and spacecraft. Processing times for aircraft increased during each period.



**Appendix II: Additional Analyses Related to  
Arms Export Case Processing**

**Table 5: Permanent Export Cases Processed and Processing Times by Commodity Group, Fiscal Year 2003 through April 30, 2007**

Commodity group	Fiscal year									
	2003		2004		2005		2006		2007 <sup>a</sup>	
	Cases closed	Median days processing	Cases closed	Median days processing	Cases closed	Median days processing	Cases closed	Median days processing	Cases closed	Median days processing
Aircraft	9,822	10	12,385	14	13,224	18	14,099	24	9,701	29
Firearms	6,984	8	7,145	10	7,464	15	7,429	20	4,381	16
Military electronics	6,614	18.5	7,748	23	8,699	23	9,417	31	6,536	28
Military vehicle and naval vessel	5,992	21	7,107	26	7,612	21	7,777	22	4,376	31
Missile and spacecraft	4,221	32	4,229	29	3,807	36	4,092	39	3,151	17

Source: GAO analysis of DDTC data.

<sup>a</sup>Data are for the first 7 months of fiscal year 2007.

Arms export cases are relatively concentrated by country of destination. As shown in table 6, in fiscal year 2006, cases identifying Japan and the United Kingdom as destination countries represented about 25 percent of all cases. Processing times, with the exception of those for Israel, are similar for the top countries of destination.

**Table 6: Percentage of Cases Closed and Median Processing Time for Top 10 Countries of Destination, Fiscal Year 2006**

Rank	Country	Percentage of all cases closed	Median days processing
1	Japan	12.7%	22
2	United Kingdom	12.0%	21
3	Canada	6.9%	22
4	Germany	5.4%	24
5	Australia	4.5%	21
6	Israel	4.3%	36
7	South Korea	4.0%	24
8	Italy	3.9%	25
9	France	3.2%	29
10	Spain	2.4%	26

Source: GAO analysis of DDTC data.

DDTC has procedures to expedite cases submitted in support of ongoing war efforts including Operation Enduring Freedom (OEF) or Operation Iraqi Freedom (OIF). These cases did not represent a significant caseload—ranging from 0.8 percent to 1.5 percent from fiscal year 2003 through 2006. Median processing times for these cases ranged from 8 to 11 days, as shown in table 7.

**Table 7: Number of Cases and Processing Times for OEF/OIF Cases, Fiscal Years 2003 through 2006**

Fiscal year	All cases closed	Cases expedited	Percentage of all cases closed	Median days for processing
2003	54,576	444	0.8%	8
2004	57,885	477	0.8%	11
2005	62,954	958	1.5%	9
2006	65,274	773	1.2%	9

Source: GAO analysis of DDTC data.

The number of exporters registered with DDTC that submitted cases increased about 13 percent, from almost 2,500 in fiscal year 2003 to almost 2,800 in fiscal year 2006. However, most exporters submitted relatively few applications, as shown in table 8.

**Table 8: Number of Exporters by Cases Submitted, Fiscal Years 2003 through 2006**

Fiscal year	Total exporters submitting cases	Exporters who submitted					
		Ten or fewer cases	Percent	Five or fewer cases	Percent	One case	Percent
2003	2,470	1,826	74%	1,480	60%	684	28%
2004	2,651	1,911	72%	1,582	60%	683	26%
2005	2,759	2,000	72%	1,634	59%	687	25%
2006	2,781	1,978	71%	1,609	58%	737	27%

Source: GAO analysis of DDTC data.

In contrast, some exporters submit thousands of applications in a given year. In terms of all cases received, the percentage of cases received from the top 10 exporters in terms of cases submitted ranged from about 19 to 26 percent, as shown in table 9.

**Appendix II: Additional Analyses Related to Arms Export Case Processing**

**Table 9: Percentage of Cases Received from the Top 10 Exporters, Fiscal Years 2003 through 2006**

<b>Fiscal year</b>	<b>Total cases received</b>	<b>Cases received by top 10 exporters</b>	<b>Percent</b>
2003	55,073	14,240	25.9%
2004	58,404	10,896	18.7%
2005	65,150	14,508	22.3%
2006	67,785	14,263	21.0%

Source: GAO analysis of DDTC data.

As shown in table 10, most cases processed by DDTC are approved or approved with condition, known as a proviso. Very few cases are denied. The number of cases returned without action increased from about 13 percent in fiscal year 2003 to over 17 percent in the first 7 months of fiscal year 2007.

**Table 10: Cases Closed by Final Action, Fiscal Year 2003 through April 30, 2007**

<b>Final action</b>	<b>Fiscal year</b>									
	<b>2003</b>	<b>Percent</b>	<b>2004</b>	<b>Percent</b>	<b>2005</b>	<b>Percent</b>	<b>2006</b>	<b>Percent</b>	<b>2007<sup>a</sup></b>	<b>Percent</b>
Approved	27,916	51.2%	29,914	51.7%	34,638	55.0%	35,046	53.7%	19,961	45.7%
Approved with proviso	18,918	34.7%	19,054	32.9%	18,586	29.5%	20,183	30.9%	15,507	35.5%
Denied	395	0.7%	426	0.7%	394	0.6%	433	0.7%	229	0.5%
Returned without action	6,992	12.8%	8,237	14.2%	8,990	14.3%	9,171	14.1%	7,450	17.1%

Source: GAO analysis of DDTC data.

<sup>a</sup>Data are for the 7 months of fiscal year 2007.

# Appendix III: Comments from the Department of State



**United States Department of State**

*Assistant Secretary for Resource Management  
and Chief Financial Officer*

Washington, D.C. 20520

NOV 08 2007

Ms. Jacquelyn Williams-Bridgers  
Managing Director  
International Affairs and Trade  
Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548-0001

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "DEFENSE TRADE: State Department Needs to Conduct Assessments to Identify and Address Inefficiencies and Challenges in the Arms Export Process," GAO Job Code 120629.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Laurell Brault, Deputy Director, Bureau of Political and Military Affairs, Office of Directorate of Defense Trade Controls at (202) 663-2736.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradford R. Higgins".

Bradford R. Higgins

cc: GAO – Anne-Marie Lasowski  
PM – Frank Ruggiero  
State/OIG – Mark Duda

Department of State Comments on GAO Draft Report

DEFENSE TRADE: State Department Needs to Conduct Assessments to Identify  
and Address Inefficiencies and Challenges in the Arms Export Process,  
(GAO-08-89, GAO Code 120629)

Thank you for allowing the Department of State the opportunity to comment on the draft *Defense Trade: State Department Needs to Conduct Assessments to Identify and Address Inefficiencies and Challenges in the Arms Export Process*.

The GAO recommended that the Secretary of State direct the Deputy Assistant Secretary of the Directorate of Defense Trade Controls (DDTC) to conduct systematic analyses of licensing data to assess root causes of inefficiencies and to identify and implement actions to better manage workload, reexamine its processes, determine the most effective workforce structure, and target industry outreach.

State concurs with the overall GAO recommendations; however, it should be noted that the GAO review does not include licensing data collected after April 2007, and thus does not capture the full impact of the licensing guidance and procedural changes that were implemented after March 2007. Although, the recommendations have merit, they are more historical in nature. The draft report identified three key trends in the processing of arms export cases:

- (1) A 20% increase in the number of export cases received by DDTC between fiscal years 2003 and 2006
- (2) Processing times almost doubled from fiscal year 2003 to 2006
- (3) Increase in the number of open arms cases since fiscal year 2003

Our remarks will focus on the last two trends identified in the draft report.

In September 2006 the number of open arms export cases reached a high of 10,200 cases. The timeframe in which this occurred came when DDTC was severely resource constrained in terms of total number of personnel, experienced licensing officers with full signature authority, and the post-911 environment and support of the Global War on Terror (OIF/OEF). Simultaneously, we were implementing a D-Trade system which we continue to believe will have major long term benefits--particularly D-Trade II--but which in the short run has experienced some challenges and delays.

As stated in the draft report, DDTC undertook extraordinary measures over the course of three months to reduce the number of open cases by almost 50 percent. We recognized that the measures were not sustainable and conducted a critical review of our internal procedures to identify and address deficiencies in the analysis and case review process. Since that time frame, several initiatives were implemented that are highlighted below, resulting in a reduction of the number of open cases from 7,500 in April 2007 to 5,300 as of 31 October 2007 (a 30 percent reduction).

- (1) *Management Case Review Guidance*-addresses the decision-making process for pending cases and identifies required timelines for specific actions by licensing personnel.
- (2) *Expedited License Processing Guidelines* and revised staffing requirements. The guidelines address the expedited review process for priority cases such as OIF/OEF, Defense Capabilities Initiative, and UK/Australia cases. We also revised the staffing requirements to eliminate the staffing of spare parts to NATO countries, and routine staffing to other Bureaus and Agencies, based on the level of technology and geographical region.
- (3) Deputy Assistant Secretary (DAS) level review for cases over 75 days. In the three months since the review was implemented we have continued to see a significant reduction in the number of "old" D-Trade cases. We are confident that the improvements noted are long-term, given the disciplined approach and increased accountability instituted through the case review process.

We recognize that additional systematic analyses of the data collected by our internal staff, along with the data provided by the GAO, is needed to achieve even greater efficiencies in the arms export analysis and review process. We have initiated a review of our organizational alignment to better structure the workforce, and have made initial staffing changes to two of the licensing teams, as a result of the imbalance in the caseload. We are also committed to pursuing technological solutions to optimize the ability of licensing officers to access case related material, and reducing the administrative burden on the licensing staff and the arms export community.

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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact

Ann Calvaresi-Barr (202) 512-4841 or calvaresibarra@gao.gov

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## Acknowledgments

In addition to the contact named above, Anne-Marie Lasowski, Assistant Director; Bradley Terry; Peter Zwanzig; Jacqueline Wade; Arthur James, Jr.; Julia Kennon; Karen Sloan; and Alyssa Weir made key contributions to this report.

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# Related GAO Products

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*Export Controls: Vulnerabilities and Inefficiencies Undermine System's Ability to Protect U.S. Interests.* [GAO-07-1135T](#). Washington, D.C.: July 26, 2007.

*High Risk Series: An Update.* [GAO-07-310](#). Washington, D.C.: January, 2007.

*Export Controls: Challenges Exist in Enforcement of an Inherently Complex System.* [GAO-07-265](#). Washington, D.C.: December 20, 2006.

*Defense Technologies: DOD's Critical Technologies Lists Rarely Inform Export Control and Other Policy Decisions.* [GAO-06-793](#). Washington, D.C.: July 28, 2006.

*Export Controls: Improvements to Commerce's Dual-Use System Needed to Ensure Protection of U.S. Interests in the Post-9/11 Environment.* [GAO-06-638](#). Washington, D.C.: June 26, 2006.

*Defense Trade: Arms Export Control Vulnerabilities and Inefficiencies in the Post-9/11 Security Environment.* [GAO-05-468R](#). Washington, D.C.: April 7, 2005.

*Defense Trade: Arms Export Control System in the Post-9/11 Environment.* [GAO-05-234](#). Washington, D.C.: February 16, 2005.

*Export Controls: Processes for Determining Proper Control of Defense-Related Items Need Improvement.* [GAO-02-996](#). Washington, D.C.: September 20, 2002.

*Export Controls: Department of Commerce Controls over Transfers of Technology to Foreign Nationals Need Improvement.* [GAO-02-972](#). Washington, D.C.: September 6, 2002.

*Export Controls: More Thorough Analysis Needed to Justify Changes in High Performance Computer Controls.* [GAO-02-892](#). Washington, D.C.: August 2, 2002.

*Defense Trade: Lessons to Be Learned from the Country Export Exemption.* [GAO-02-63](#). Washington, D.C.: March 29, 2002.

*Export Controls: Issues to Consider in Authorizing a New Export Administration Act.* [GAO-02-468T](#). Washington, D.C.: February 28, 2002.



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**Related GAO Products**

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*Export Controls: State and Commerce Department License Review Times Are Similar.* [GAO-01-528](#). Washington, D.C.: June 1, 2001.

*Export Controls: Reengineering Business Processes Can Improve Efficiency of State Department License Reviews.* [GAO-02-203](#). Washington, D.C.: December 31, 2001.

*Export Controls: System for Controlling Exports of High Performance Computing Is Ineffective.* [GAO-01-10](#). Washington, D.C.: December 18, 2000.

*Defense Trade: Analysis of Support for Recent Initiatives.* [GAO/NSIAD-00-191](#). Washington, D.C.: August 31, 2000.

*Defense Trade: Status of the Department of Defense's Initiatives on Defense Cooperation.* [GAO/NSIAD-00-190R](#). Washington, D.C.: July 19, 2000.

*Export Controls: Better Interagency Coordination Needed on Satellite Exports.* [GAO/NSIAD-99-182](#). Washington, D.C.: September 17, 1999.

*Export Controls: Some Controls over Missile-Related Technology Exports to China Are Weak.* [GAO/NSIAD-95-82](#). Washington, D.C.: April 17, 1995.

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