

## **Chapter 7. Nonproliferation and Export Control Cooperation**

BXA established the Nonproliferation and Export Control (NEC) Cooperation program in 1994 to coordinate BXA's activities in support of U.S. export control cooperative programs with Russia; the Eastern European, Central Asian, and Caucasus states of the Former Soviet Union (FSU); the Baltic states; and the Central European states that were allies of the FSU. This program was established in recognition that, in a global economy, U.S. efforts to control items and technologies used in the production of weapons of mass destruction can only be successful if matched by comparable efforts in other countries. Since 1994, NEC's focus has broadened to include other countries.

During FY 2001, NEC, in conjunction with other BXA organizations and representatives from the U.S. Government, organized or coordinated 44 bilateral technical exchange workshops and multilateral conferences. These activities included cooperative bilateral export control workshops with Armenia, Azerbaijan, the Czech Republic, Georgia, Hungary, India, Kazakhstan, the Kyrgyz Republic, the Former Yugoslav Republic of Macedonia, Moldova, Poland, Russia, Slovakia, Slovenia, Tajikistan, Ukraine, and Uzbekistan. NEC conducted three multilateral regional conferences for the nations of Central Asia and the Caucasus region, and a trilateral conference for the Baltic states of Estonia, Latvia, and Lithuania during FY 2001.

The overarching purpose of the technical exchange workshops was to familiarize the participating countries with the elements of an effective export control system and to assist them in developing and strengthening their own national export control systems.

In FY 2001, with BXA technical assistance provided by the NEC, many of the targeted nations made major strides in development of their national export control systems. These workshops helped to reduce the proliferation threat from strategic items originating in or transiting through the participating countries will contribute to the proliferation of weapons of mass destruction.

BXA is charged with a major role in the U.S. interagency program of cooperative export control exchange workshops and conferences. Because BXA holds responsibility in all technical areas of export controls, it takes the lead in a wide range of technical exchange workshops to address the following subjects:

- legal basis and framework of export controls;
- export control licensing procedures and practices;
- export enforcement;

- industry-government relations; and
- export control system automation.

BXA arranges for participation of experts from other U.S. agencies with export control or enforcement responsibilities, including the Departments of State, Defense, Energy, and Justice, and the U.S. Customs Service. Technical exchanges, depending on their focus, involve training by policy, legal, licensing, and enforcement officials.

## **Technical Exchange Workshops**

### *Armenia*

- Parliamentary Forum I on Export Control Law, Washington, D.C., April 9-12, 2001

The Parliamentary Forum provided Armenian parliamentarians and staff with an overview of export controls, giving the officials a better context for considering their pending export control legislation. The forum provided an overview of U.S. export control laws and procedures, responsibilities of various agencies, and interagency coordination mechanisms. The Armenian delegation visited the staff of the International Relations Committee of the House of Representatives to obtain Congressional perspectives on export control issues.

- Executive Exchange II, Washington, D.C., July 9-13, 2001

This exchange was held in response to a request by Armenian parliamentarians, the Executive Exchange, led by the Deputy Foreign Minister of Armenia, emphasized the importance of Armenia passing an export control law on dual-use items that reflects international standards and multilateral export control regime requirements, and the role that law would play as the foundation for Armenia's national export control system. Officials from the Departments of State and Defense and senior staff members from the House International Relations Committee also participated in this exchange.

### *Azerbaijan*

- Parliamentary Forum, Washington, D.C., February 26-March 2, 2001

This forum was structured to provide a basic understanding of the legal authorities a nation needs in order to operate a competent national system and included a review of the Azerbaijan's draft export control law prior to its presentation to the Azerbaijan's Parliament. U.S. experts provided an overview of U.S. export control laws and procedures, responsibilities of various agencies, and interagency coordination mechanisms.

- Licensing Procedures and Practices Technical Workshop, Washington, D.C., July 30-August 3, 2001

This workshop familiarized Azerbaijan officials with the administration of an export licensing system and techniques to ensure that the exporting community complies with export control laws and regulations. The exchange sought to assist Azerbaijan in understanding and establishing export control licensing practices meeting international standards and the prescriptions of the multilateral export control regimes.

### *Georgia*

- Export Licensing Procedures and Practices Technical Forum II, Washington, D.C., March 19-23, 2001

This forum addressed the license review process and examined technical and policy analysis techniques, interagency review dispute resolution, and final licensing decisions. Case studies employed during the Forum used the European Union model control list as the foundation for a national control list and Georgian delegates were encouraged to adopt that model. Export enforcement procedures, including pre-license inquiries and end-use and end-user checks, were also reviewed.

- National Control List Technical Workshop for Export Control Officials, Washington, D.C., June 11-15, 2001

This workshop addressed the development and use of a national control list in export control systems. Using a control list for dual-use items based on the European Union model, the workshop focused on the process of integrating the major multilateral regime control lists into a single national list and use of such a consolidated list in the operation of a national export control system. The program incorporated visits to key U.S. export control agencies where briefings were given on the broad aspects of developing and strengthening an export control system.

### *Hungary*

- Internal Control Program Development, Budapest, Hungary, April 1-6, 2001

This exchange resulted in an agreement for BXA to assist Hungary to develop a Hungarian Internal Control Program (ICP) software tool to assist Hungarian exporters to understand and to comply with their country's export control requirements and procedures. The Hungarian government selected the Hungarian Chamber of Commerce as the non-government organization to represent industry interests in the ICP development process.

### *India*

- Export Control Seminar, Washington, D.C., October 17-19, 2000

BXA conducted an interagency export control technical seminar for export control and foreign trade officials from the government of India. The Indian participants expressed an interest in learning more

about deemed exports and technology transfer requirements, especially in view of growing Indian e-commerce activity. The two delegations agreed to explore scheduling exchanges addressing control lists and export control system automation issues.

### *Kazakhstan*

- National Control List Technical Workshop I, Astana, Kazakhstan, November 28-December 1, 2000

This workshop provided training in performing a computer search of a control list to help identify items included on the control list and familiarized Kazakhstan Customs officers in how to use the control list in clearing sensitive items through Customs. Kazakhstan became the first country of the former Soviet Union to promulgate a national control list of dual-use items controlled by the four major international control regimes, using the U.S. and European Union control list structure as a model.

- DOD/FBI Export Control Preventive Enforcement Workshops, Astana, Kazakhstan, December 11-16, 2000, and Bishkek, Kyrgyz Republic, May 1-4, 2001

These workshops were part of the DOD/FBI counterproliferation program under the Central Asia Security Initiative. The Workshops provided enforcement officials in Kazakhstan and the Kyrgyz Republic with an analysis of the structures and functions needed to enforce controls effectively on the export, reexport, and transit of sensitive dual-use items and arms.

### *Kyrgyz Republic*

- Regulations Technical Forum and Workshop, Washington, D.C., July 15-19, 2001

This workshop provided Kyrgyz officials with a broad understanding of the legal basis for export controls and the major elements and processes of a competent national control system. Special attention was given to the components of a sound statute to serve as the legal foundation for such a system to assist the Kyrgyz in finalizing a draft export control law for presentation to the Kyrgyz Parliament.

### *Former Yugoslav Republic of Macedonia*

- Export Control Capability Assessment, Skopje, Former Yugoslav Republic of Macedonia, October 16-18, 2000

An interagency delegation organized and led by the State Department assessed FYR Macedonian export control policies, procedures, and laws. This process entailed meetings with senior officials of the Ministries of Foreign Affairs, Economy, and Interior, and the Department of Finance. The FYR Macedonians expressed interest in obtaining U.S. cooperation in drafting a law addressing selected export control issues, including clarification of nonproliferation elements, administrative structures, and

interagency coordination.

### *Moldova*

- Export Licensing Procedures and Practices Technical Exchange Workshop II, Washington, D.C., December 11-15, 2000

This workshop was the first technical exchange with Moldova since Moldova passed and published its law on export, import, and transit control for weapons, military equipment, and dual-use goods in 2000. The workshop was designed to acquaint Moldovan officials with issues related to implementing its law and how to address these issues most productively. It included visits to the Defense Threat Reduction Agency and the Department of State.

- Legal Area Expert Discussions, Chisinau, Moldova, June 11-12, 2001

A BXA legal expert reviewed and provided comments on the Moldovan draft export control regulations to implement the export control law before the regulations were formally presented to the Moldovan government.

- DOD/FBI Export Control Enforcement Workshop, Chisinau, Moldova, June 13-15, 2001

This workshop, part of the continuing DOD/FBI counterproliferation program, provided Moldova's export control enforcement officials with an analysis of the structures and functions needed to enforce controls effectively on the export, reexport, and transit of sensitive dual-use items and arms.

### *Poland*

- Internal Control Program Workshop, Warsaw, Poland, September 25-27, 2001

U.S. export control specialists worked with Polish technical experts to train Polish instructors to deliver training to Polish exporting enterprises in the use of Poland's customized version of the ICP.

### *Russia*

- Twelve Internal Control Program Workshops, Russia, October 17, 2000-September 28, 2001

Small teams of BXA personnel and U.S. industry representatives from exporting corporations participated in a series of 12 ICP workshops in selected Russian cities. The workshops helped more

than 300 Russian industrial enterprises and institutes understand their export control obligations under Russian law and procedures, and provided them with copies of the ICP software tool that has been customized for use in Russia. Locations included Moscow, Vladimir, Volgograd, Voronezh, Izhevsk, Nizhni Novgorod, Penza, Yekaterinburg, Briansk, Tula, Perm, and Smolensk. The ICP is a software-based tool that helps exporters understand their export control responsibilities and comply with those requirements.

### *Slovakia*

- National Control List Workshop, Washington, D.C., December 4-8, 2000

This workshop addressed the development and use of a national control list in export control systems. Using a control list for dual-use items based on the European Union model, the workshop focused on the process of integrating the major multilateral regime control lists into a single national list and use of such a consolidated list in the operation of a national export control system. The program incorporated visits to key U.S. export control agencies where briefings were given on broad aspects of developing and strengthening an export control system.

### *Slovenia*

- Executive Exchange I, Washington, D.C., May 7-9, 2001

Designed to familiarize Slovenian officials with the U.S. export control system, this exchange focused on the elements of an effective export control system, including the components of a sound legal foundation and interagency coordination. U.S. participants included representatives of U.S. Government agencies with export control responsibilities, non-government entities and U.S. businesses.

### *Tajikistan*

- Licensing Procedures and Practices Workshop II, Washington, D.C., May 21-25, 2001

This workshop examined the mechanisms and processes used by the United States to make dual-use licensing decisions, reviewed the legal and regulatory basis and framework for export control licensing, and introduced Tajik officials to the ways in which the several U.S. agencies with export control responsibilities coordinate discharge of those responsibilities and resolve disputes.

### *Ukraine*

- Six Internal Control Program Workshops, Ukraine, November 29, 2000-September 17, 2001

Small teams of BXA personnel and U.S. industry representatives participated in a series of six ICP workshops in selected Ukrainian cities. The workshops helped the Ukrainians to acquaint more than 100 Ukrainian exporting industrial enterprises and institutes with their export control obligations under

Ukrainian law, and provided them with copies of the ICP software tool that has been customized for use in Ukraine. Locations included Kyiv, Kharkiv, Dnipropetrovsk, Lughansk, Odessa, and Sevastopol.

### *Uzbekistan*

- National Control List Technical Workshop I, Washington, D.C., September 4-7, 2001

This workshop addressed the development and use of a national control list in export control systems. Using a control list for dual-use items based on the European Union model, the workshop focused on the process of integrating the major multilateral regime control lists into a single national list and use of such a consolidated list in the operation of a national export control system. The program incorporated visits to key U.S. export control agencies where briefings were given on broad aspects of developing and strengthening an export control system.

### **Multilateral Conferences**

- Regional Transit Agreement Technical Drafting Workshops, Tbilisi, Republic of Georgia, January 29-30 and Astana, Kazakhstan, March 28-29, 2001

The drafting workshops were organized in response to requests from participants at the 1999 Regional Forum for the states of Central Asia and the Southern Caucasus that the United States help them develop a regional transit agreement to address issues concerning the transit of sensitive goods subject to export control. The workshops assisted the participants from Central Asia and the Southern Caucasus to produce a draft transit agreement based on the principles agreed to at the 1999 Regional Forum.

- Fifth Regional Forum on Export Controls and Nonproliferation of Weapons of Mass Destruction for the Nations of Central Asia and the Southern Caucasus, Bishkek, Kyrgyz Republic, April 24-26, 2001

The United States and the Kyrgyz Republic co-hosted this forum, the most recent in the series that has been underway for six years, for delegates from Armenia, Azerbaijan, Georgia, Kazakhstan, Tajikistan, the Kyrgyz Republic, and Uzbekistan. Representatives of Japan, Moldova, Turkey, and Ukraine attended the forum as observers. More than 100 senior-level export control officials responsible for managing their countries' national export control systems participated. This forum addressed topics of importance to export controls, including national control lists, industry compliance and outreach, information sharing, enforcement, and advanced regional cooperation in export control and border security. Participants agreed to the basic principles of a regional transit agreement designed to facilitate nonproliferation through the exchange of information about the transit of sensitive, controlled commodities among states in the region. This forum also endorsed the use of the European Union model for national control lists, supported harmonizing export control systems across the region, and

discussed the importance of including “catch-all” provisions in national export control laws.

### **Trilateral Conference**

- Internal Control Program Conference for the Baltic countries (Estonia, Latvia, Lithuania) Tallin, Estonia, June 20-22, 2001

This conference assisted Estonia, Latvia, and Lithuania to design a plan for developing a customized version of the ICP software tool for Baltic exporting enterprises. The ICP enables an enterprise’s export control administrator and staff to attain competence in the export control rules and regulations of their country and facilitates the enterprise’s compliance with such rules and regulations.

### **System Automation**

- Country Assessments

In FY 2001, NEC contractors participated in State Department-led system automation assessment visits to several countries to assess the potential of those countries to receive and productively use automation support for their export licensing systems.

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