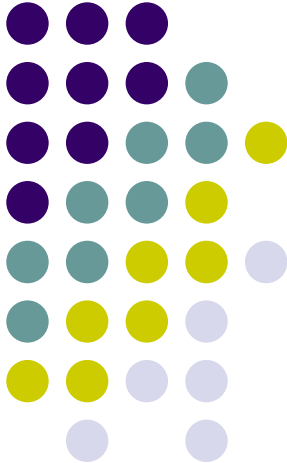
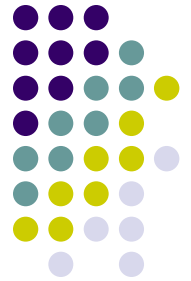


Overview of the U.S. Export Control System

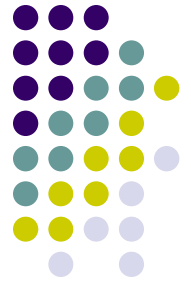


Purpose of our export control system



- Provide for national security by limiting access to sensitive U.S. technology and weapons
- Promote regional stability
- Take into account human rights considerations
- Prevent proliferation of weapons and technologies
- Comply with international commitments

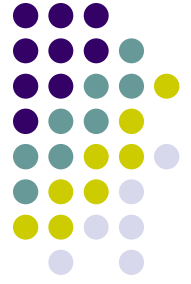
Essential Elements of an effective Export Control System



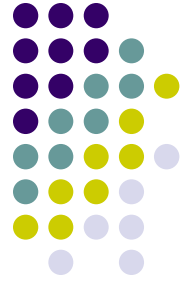
- Comprehensive controls
- Implementing Directives
- Enforcement power and penalties
- Interagency coordination
- International cooperation
- Protection against governmental dissemination of sensitive business information

Nonproliferation Regimes and Arrangements

- Nuclear Suppliers Group
- Zangger Committee
- Missile Technology Control Regime
- Australia Group
- Wassenaar Arrangement

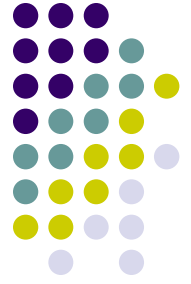


U.S. Export Control Legislation and Authorities



- Arms Export Control Act (AECA)
 - International Traffic in Arms Regulations (ITAR)—implemented by Department of State
- Export Administration Act of 1979—implemented by the Department of Commerce through Export Administration Regulations
- Licensing through other U.S. agencies
 - Nuclear Regulatory Commission, Department of Energy, Department of Commerce
 - Trade embargoes & sanctions/Transactions—Department of the Treasury

U.S. Control Lists and Licensing Procedures



- Commerce Control List
 - Wassenaar Arrangement Dual-Use list
 - Nuclear-related dual use commodities
 - Dual-use items on Missile Technology Control Regime List
 - CW precursors, biological organisms and toxins, and CBW-related on Australia Group list
 - Items controlled by U.S. foreign policy and other objectives
 - Unlisted items when destined for specified end-uses/use
- U.S. Munitions List for defense articles and services
 - Specifically designed, developed, configured, adapted, or modified for a military application and
 - Doesn't have predominant civil applications
 - Doesn't have performance equivalent to those of an article or service used for civil applications
 - Specifically designed, developed, configured, adapted, or modified for a military application and has significant military or intelligence applicability

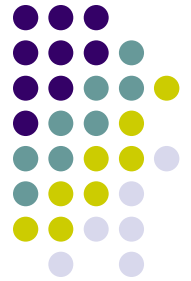
U.S. Control Lists and Licensing Procedures (continued)



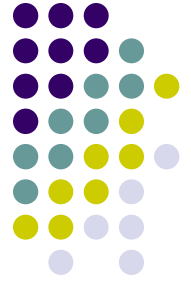
- Nuclear Regulatory Commission Controls
 - Exports of nuclear equipment and materials
 - Provision of assistance for foreign atomic energy activities

- Exporter license requests considerations:
 - Eligibility of applicant
 - Parties involved
 - Appropriateness
 - Legal impediments
 - National security implications
 - Foreign policy implications

U.S. Mechanisms of Enforcement

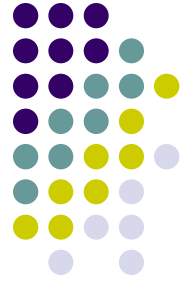


- Customs/Homeland Security—Check items at the borders
- Department of Commerce—investigations, pre-license checks and post-shipment verifications
- Criminal and civil penalties



Controls on Brokering Activity

- Arms Export Control Act
 - Amended to cover brokering of items on U.S. Munitions List
 - Extended to brokering foreign defense articles and services
 - Registration required



Sanctions

- Seek to persuade other countries to prevent transfers
- U.S. laws impose sanctions on governments, entities, or persons involved