



Committee on Armed Services

Duncan Hunter, California

Chairman



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GAO Identifies Needed Improvements in Export Controls

House Armed Services Committee Chairman Duncan Hunter today drew attention to a recent report by the General Accounting Office, Congress' investigative arm. Initiated by Senator Jon Kyl of Arizona, the report points out serious deficiencies in the United States' export control system—an important tool in the overall effort to halt the spread of weapons of mass destruction. According to Chairman Hunter, "Senator Kyl and the General Accounting Office have done us a great service by highlighting the importance of export controls in preventing sensitive technology from falling into dangerous hands, whether those hands are foreign governments or shadowy terrorist networks."

The report substantiates congressional concerns over the effectiveness of the Department of Commerce's post-shipment verification (PSV) process, the principal means by which the U.S. seeks to prevent the overseas misuse of some of its most sensitive dual-use technologies—those with both civilian and military applications. According to GAO, "some countries of concern, most notably China, limit the U.S. government's access to facilities where dual-use items are shipped, making it difficult to conduct a post-shipment verification."

"If Commerce Department officials cannot conduct PSVs as scheduled to confirm that technologies arrive at their intended destination and are used for the purposes stated in the export license," stated Hunter, "there is no guarantee that American know-how will not ultimately be used against our own citizens and armed forces."

GAO found that few dual-use exports to countries that pose a proliferation threat are subject to post-shipment verification checks. Between 2002 and 2003, the vast majority—99 percent—of approved licenses worldwide had conditions attached during the interagency license review to deter misuse or diversion; but only 6 percent of licenses to countries of concern were subject to PSV checks. Of those 428 PSVs conducted, just 352 had favorable outcomes.

GAO also suggests that foreign companies that agree in advance to PSVs, but later refuse to allow inspections, face no real penalties in future licensing decisions. Other systemic problems in the PSV process stem from unsatisfactory performance and training standards within the Department of

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Commerce. Chairman Hunter commented, “Clearly, countries that refuse, delay, or complicate our ability to verify that technology we export to them is being used for its intended purpose are suspect and we ought to reconsider future exports to such countries.”

GAO’s findings demonstrate the importance of strengthening the post-shipment verification process before the U.S. Government permits the export of additional technologies and materials that could be used to make weapons of mass destruction.

“Weak export controls in general represent a vulnerability in the U.S.-led Global War on Terrorism because of the ease with which items may be transferred to third parties,” Hunter concluded.

“Inadequate safeguards can also lead to the proliferation of advanced conventional weapons that could threaten American servicemen and servicewomen on the front lines.”

Chairman Hunter has long argued that the United States needs to lead the way against the global spread of dangerous technologies and materials.

The report is available on the HASC website at:

<http://armedservices.house.gov/issues/gaoreportonpsvsJanuary2004.pdf>

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