



# Office of Nonproliferation and International Security (NIS)

**Safeguard and Secure** nuclear material to prevent its diversion, theft and sabotage.

**Control** the spread of WMD-related material, equipment, technology and expertise.

**Negotiate, monitor and verify** compliance with international arms control and nonproliferation treaties and agreements.

**Develop and implement** DOE/NNSA arms control and nonproliferation policy to reduce the risk of weapons of mass destruction.

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## The President's Export Control Reform Initiative

*Session II: Changes to the Export Control System in Ukraine and the United States  
Informational Conference "Current Trends in the development of Export Controls:  
International and National Aspects  
June 7, 2011*



## President's Vision

"We need fundamental reform in all four areas of our current control system. In what we control, how we control it, how we enforce those controls, and how we manage our controls."

President Barack Obama  
31 August 2010

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## Key Principles of the Initiative

- Objective: Protecting U.S. National Security
- "Higher fence around a smaller yard"
- Must be multilateral to be effective
  - Unilateral controls must address legal or foreign policy objective
- Dynamic control lists that are easily updated
  - Reflect changing technology/availability
- Transparent, predictable and timely processes
- Strengthen ability to comply, enforce

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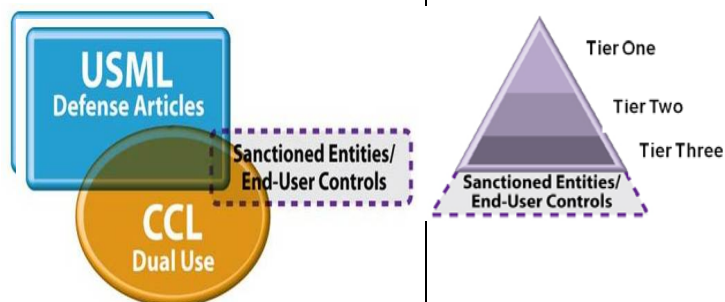
## Goal of Reform Initiative: The Four "Singularities"

- Single Control List
- Single Primary Enforcement Agency
- Single Information Technology (IT) System
- Single Licensing Agency

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## Rebuilding the Control Lists: Cornerstone of Reforms

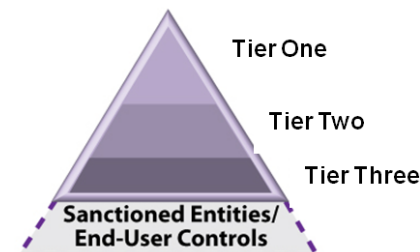
### Before



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## Rebuilding the Control Lists: Cornerstone of Reforms

### After



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## Rebuilding the Control Lists: The Process

- Step 1: What items require control on the U.S. Munitions List (USML)
- Step 2: Build objective, positive lists applying 3-tier criteria – critical; sensitive; and basic tiers
- Step 3: Items not meeting the new USML standard will be moved to Commerce Control List (CCL) to determine what controls need to be applied

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## Rebuilding the Control Lists: The Results

- The USML and CCL are being “tiered” per the USG 3-tier criteria to distinguish the types of items controlled at different levels for different types of destinations, end-users, and end-uses
- A “bright line” is being drawn between the 2 lists to clarify jurisdiction
- The 2 lists will be structurally “aligned” to later be merged into a single list

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## Rebuilding the Control Lists: The Model

- USML Category VII – Tanks & Military Vehicles – and CCL 9A018b – Ground Transport Vehicles & Unarmed All-Wheel Drive Vehicles
- Of the 12,000 Category VII items licensed last year, about 74 % will likely move to Commerce jurisdiction
- Still work-in-progress on which items will be added to the CCL and which will be EAR99

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## Rebuilding the Control Lists: Next Steps

- Release of new Category VII for public comment
- Work underway on the following categories and their corresponding CCL entries:
  - Cat. VIII – Aircraft and Associated Equipment
  - Cat. XI – Military Electronics
  - Cat. XII – Fire Control, Range Finder, Optical & Guidance and Control Equipment
  - Cat. XV – Spacecraft Systems and Associated Equipment
- Plans for Public/Private partnership

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## Rebuilding the Control Lists: Next Steps – Category VII+

- Finalizing the “USML-to-CCL” process – key before State can notify Congress of Cat. VII removals per Arms Export Control Act Sec. 38(f)
- Modifications necessary for government IT systems
- All these steps lay the groundwork , put in place the regulatory framework for all other categories
- Both Commerce and State will need to publish rules to implement the new Cat. VII in final

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## Rebuilding the Control Lists: Next Steps – Other Categories

- Work underway on the 18 other categories, including Category XV – Spacecraft Systems & Associated Equipment
- Next categories for publication in proposed form:
  - Cat. I – Firearms, Close Assault Weapons & Combat Shotguns
  - Cat. II – Guns and Armament
  - Cat. V – Explosives & Energetic Materials, Propellants, Incendiary Agents & Their Constituents

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## Other On-Going Activities

- Single Primary Enforcement Agency
  - Public Law 111-195 provided permanent export enforcement authorities; harmonized penalties
  - Executive Order creating Coordination Center
- Single Information Technology (IT) System
  - State already moving to Defense licensing database, Commerce in process, then other agencies
  - Single form for State, Commerce, Treasury; need to develop single interface for industry

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## Other On-Going Export Control Reform Activities

- Single Licensing Agency
  - Consolidated screening list went live on 9 December 2010
  - 1st proposed licensing policy linked to tier of control published on 9 December 2010
  - Technology Security & Foreign Disclosure
- Policy review almost complete
  - Harmonizing definitions

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## Concluding Remarks

- Visit us on-line at [www.export.gov/ecr](http://www.export.gov/ecr)
- Much work still to be done
- Legislation required

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