

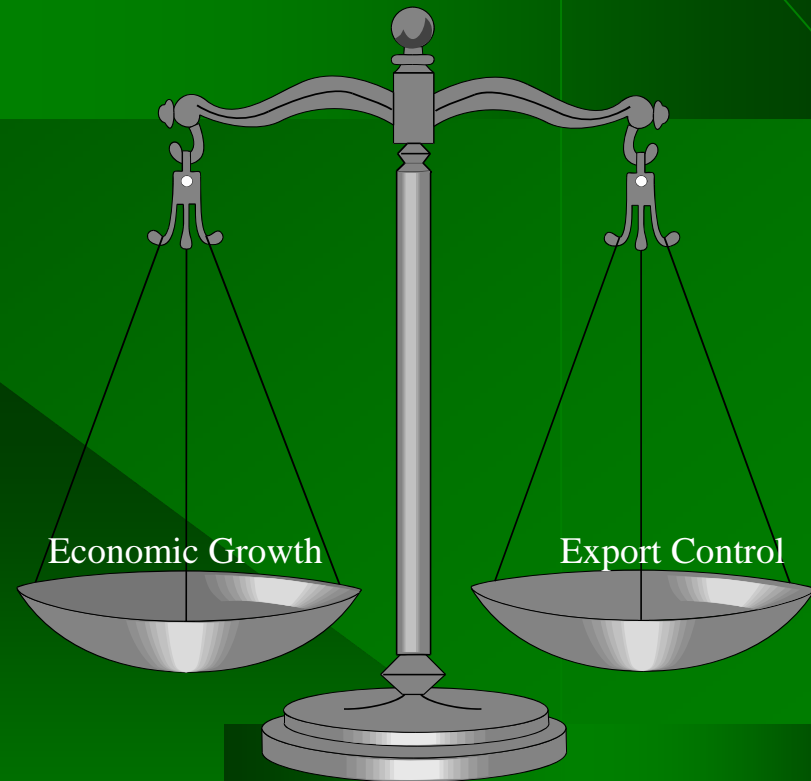
Industry Government Relations



Presented by: **Bureau of Industry and Security**
U.S. Department of Commerce
Washington, D.C.

Increased International Trade

- ◆ The Promise:
Economic growth
- ◆ The Challenge:
Maintaining
effective export
controls



Why Export Controls Are Needed

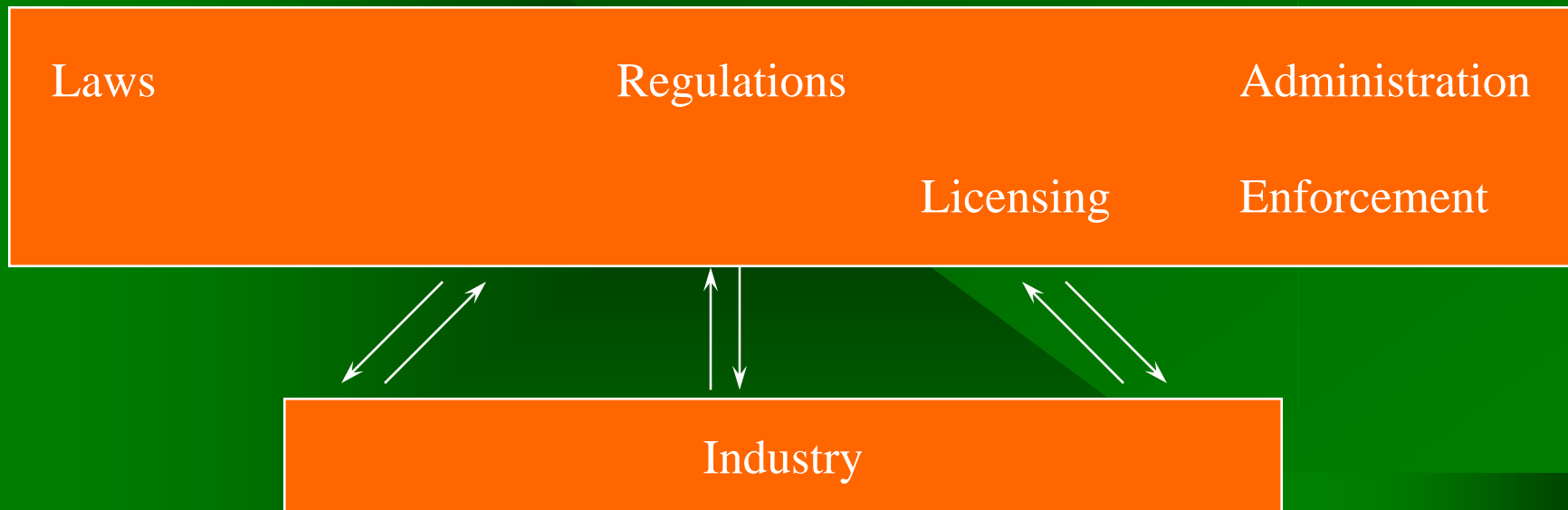
1. Support national security interests including stopping the spread of weapons of mass destruction to rogue states or terrorists
2. Further foreign policy objectives
3. Honor international obligations
4. Protect scarce resources

Why Industry Support is Essential

- ◆ The volume of exports in market economies continually grows
- ◆ Total government control eventually becomes impossible
- ◆ Governments must rely on industry to help identify transactions requiring scrutiny

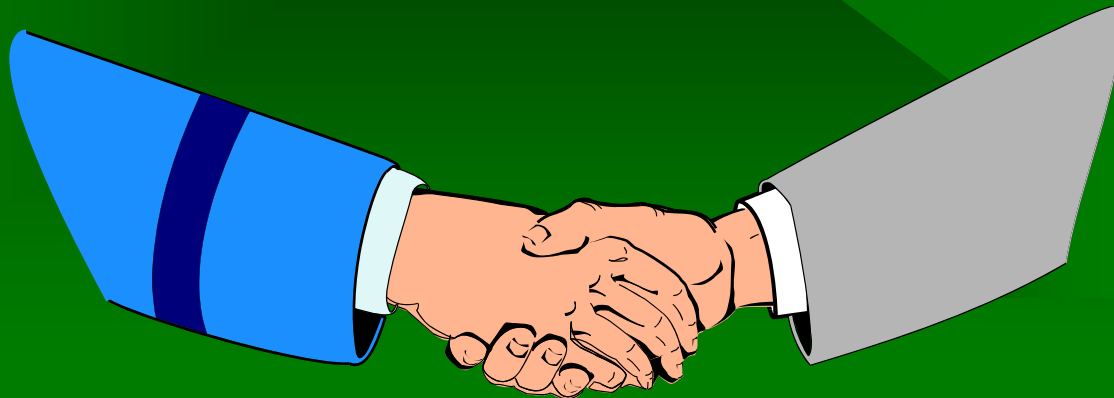
Elements of a Government Export Control Program

Government

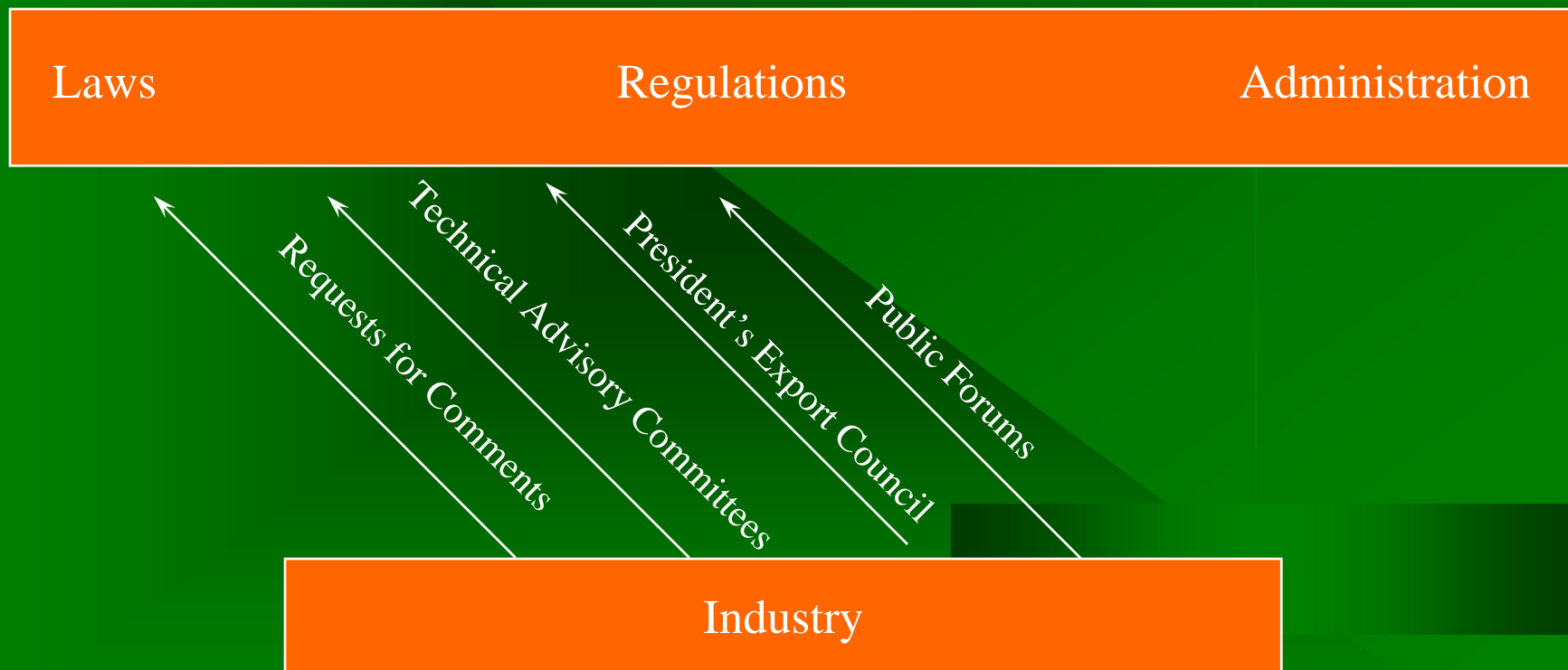


Industry Relations Programs

- ◆ Ensure the views and concerns of industry are addressed
- ◆ Communicate laws and regulations



Mechanisms that Promote Industry Participation



Advisory Committees

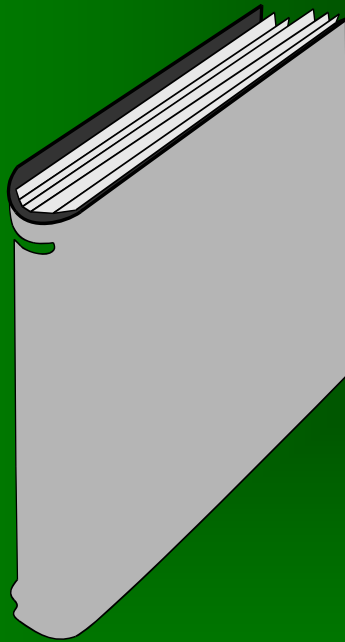
President's Export Council

- ◆ Chief executive officers of exporting firms
- ◆ Provide views on broad policy issues including export controls

Technical Advisory Committees (TACs)

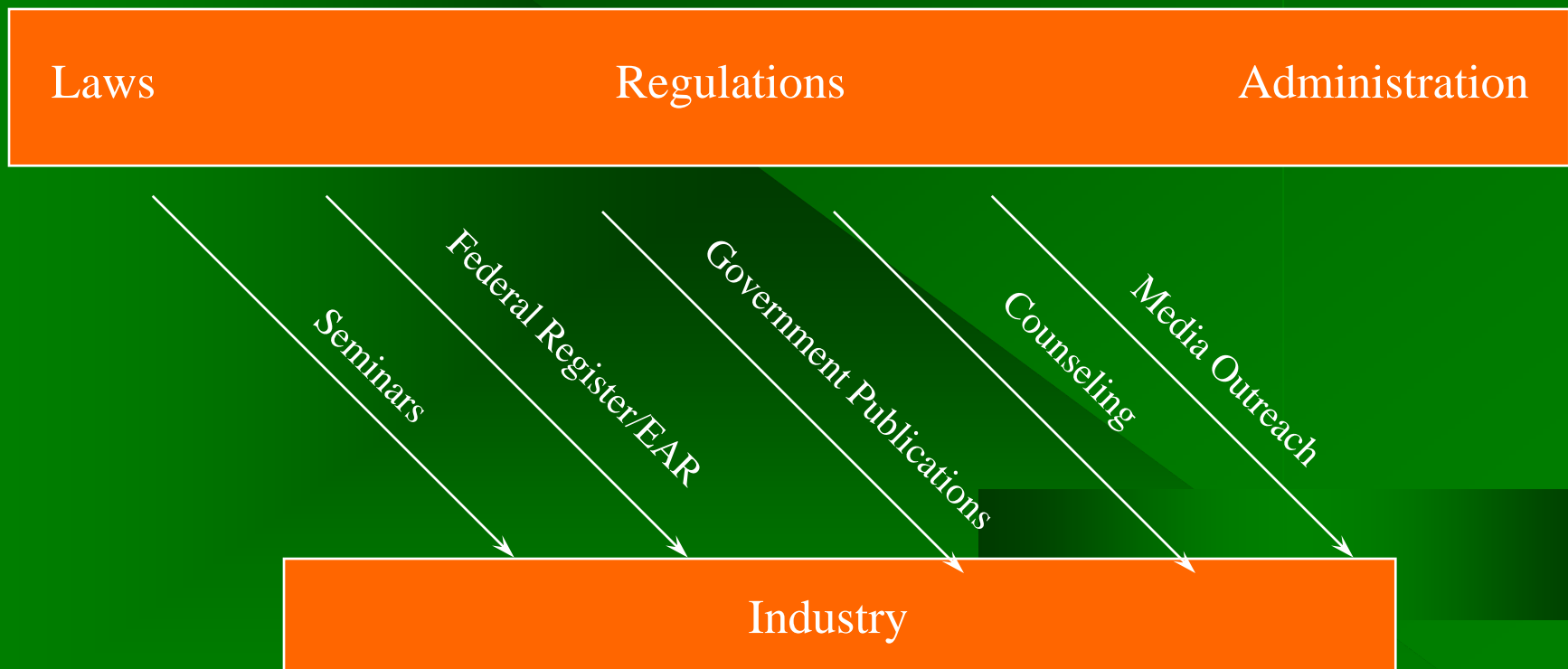
- ◆ Technical experts on control list items
- ◆ TACs have been established for different industries
- ◆ Provide information on world-wide availability and use of controlled items

Requests for Written Comments to New Regulations



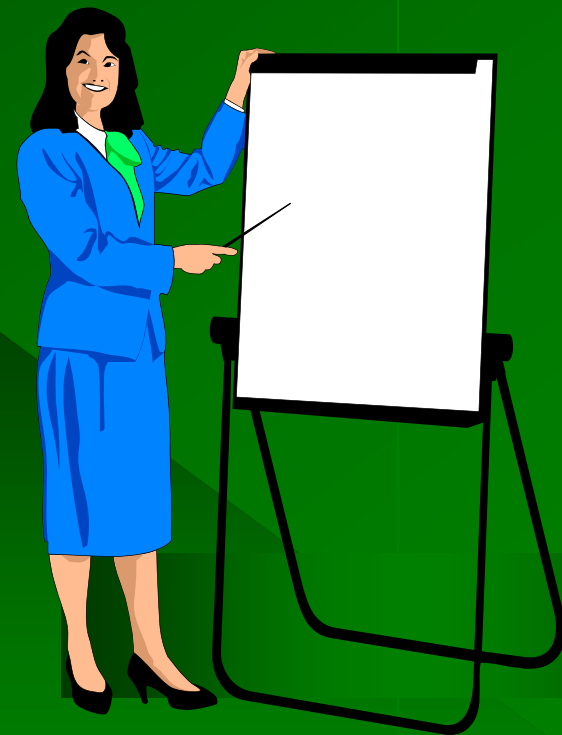
- ◆ Certain regulations are first published as interim rules
- ◆ Industry provides written comments
- ◆ Regulations may then be revised before finalizing

Mechanisms That Promote Industry Compliance



Export Seminars

- ◆ Classes designed to inform exporters about the requirements of export controls and compliance
- ◆ Instructors are government officials
- ◆ Focus ranges from general introduction to specialized topics



Federal Register and the EAR

Federal Register

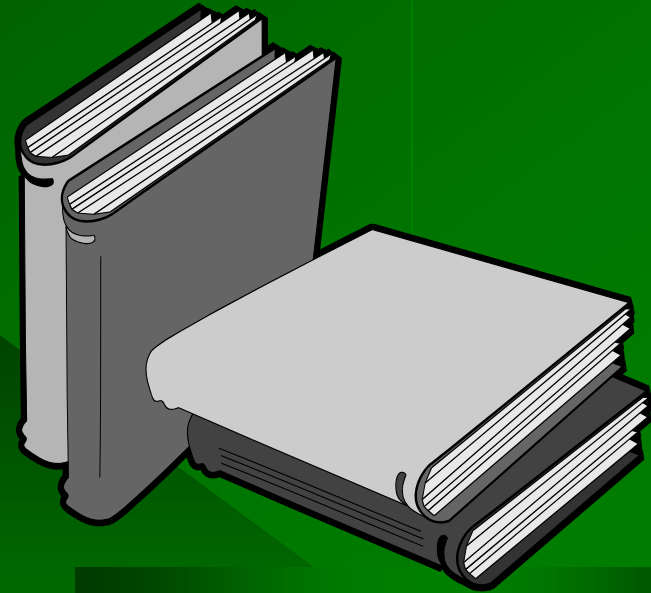
- ◆ Daily government publication
- ◆ Official notification of all new rules and laws

Export Administration Regulations (EAR)

- ◆ Published in the Federal Register
- ◆ Describes export control regulations related to dual-use items

Government Publications

- ◆ Brochures
- ◆ Guides
- ◆ Guidelines
- ◆ Annual Reports



Export Control Counseling

- ◆ Government staffed information centers
- ◆ Exporters phone in or email their questions



Media Outreach

- ◆ Government informs public of enforcement developments through media channels
- ◆ Public learns of threats by diverters and the need to comply with export control laws

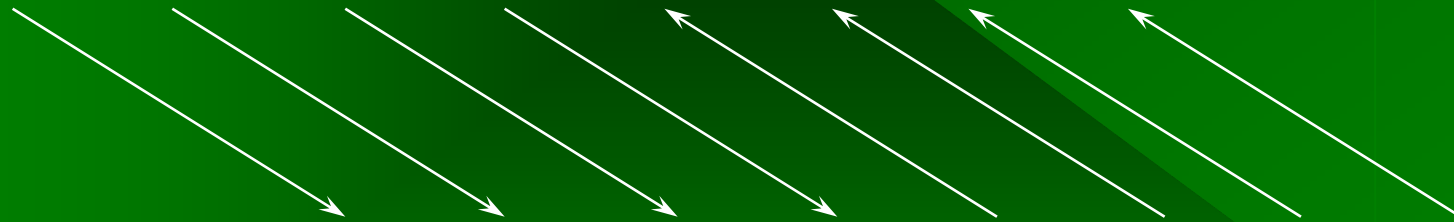
Industry's Internal Control Program (ICP)

Government

Laws

Regulations

Administration



Internalization

Industry

Industry's Internal Control Program

“We all in our company are responsible for complying with export control laws, in both letter and spirit. Failure is subject to severe criminal penalties and loss of our international trading privileges. Moreover, allowing our products and services to be used contrary to national security (and nonproliferation) would cause serious damage to our reputation as good citizens and as a world class company. Each of us is responsible for being aware of the laws and knowing where to get help complying with them.”
(Quote by Chairman of a large U.S. Company)

Elements of an Internal Control Program

- ◆ Corporate policy statement
- ◆ Identification of export control personnel
- ◆ List of persons and companies to which exports are prohibited or restricted

Elements of an Internal Control Program (Continued)

- ◆ Record keeping
- ◆ Consignee noncompliance notification
- ◆ Documented order processing
- ◆ List of persons and companies to which exports are prohibited or restricted

Elements of an Internal Control Program (Continued)

- ◆ Proliferation screening
- ◆ High risk diversion screening
- ◆ Compliance review program
- ◆ Company training and education

Summary and Conclusions

- ◆ Governments cannot monitor all exports
- ◆ Governments must encourage and rely on industry participation and voluntary compliance
- ◆ The result of a cooperative effort is the most effective and least burdensome system possible

Benefits of Cooperation

Government

Industry

