

**Remarks by
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Introduction

It is a great pleasure for me to meet with you here in Bangkok. Although this is my first visit, and unfortunately a short one, I look forward to spending my time meeting with the delegates and exchanging views on issues affecting our respective governments.

I would like to begin by extending my thanks to the Royal Thai Government for co-hosting with the United States this seminar and to all the participants for taking the time to discuss issues vital to our global security. I would note that this is my first appearance of a gathering of this nature, though hopefully not my last.

As Deputy Chief of Mission, Mr. Arvizu stated, I am the Deputy Assistant Secretary for Immigration and Customs Enforcement under the leadership of Secretary Chertoff of the United States Department of Homeland Security. "ICE" as we are commonly known, has the important task of being the United States' enforcement and investigative arm for the Department of Homeland Security and is in fact the second largest investigative team in the U.S. federal law enforcement community.

In addition to my current role as a policy maker, I began my career in law enforcement as a border patrol agent on the southwest border of the United States. I also served as a Special-Agent in New York, Washington, DC. I was the Assistant Special Agent in Charge in San Francisco, California and the Special Agent in Charge in Miami, Florida. From there, I became the Director of Investigations for ICE before being selected for my current position.

ICE has many missions. Among them, we are charged with investigating all categories of export violations, trade fraud, contraband smuggling, and illicit transfer of funds, all of which are essential elements of weapons proliferation. These broad jurisdictions put me in the unique position to encourage the important message of stemming the proliferation of Weapons of Mass Destruction (WMD), their delivery systems, related technology, and advanced conventional weapons.

While I was the Special Agent in Charge in Miami, Florida, my office identified an Iranian group attempting to illegally export sensitive night vision technology from the United States to Iran. With outstanding assistance from other US agencies, such as the Department of State, and

international partners from Austrian and United Arab Emirates law enforcement officials, ICE prevented the proliferation of the night vision technology and brought these people to justice.

Just recently, ICE and the other prominent U.S. agencies were able to prevent the illegal export of military helicopter and aircraft engines and air-to-ground missile technology. Again, with our US inter-agency colleagues and international counterparts, ICE brought all of our investigative resources to bear and was able to bring this person to justice and prevent the illegal export of controlled goods and technology. Both investigations have a common theme: the threat exists and it takes international cooperation to counter the threat. To forward that concept, ICE has over 50 offices in 40 countries. These offices are there to work with you to further the U.S. Government's missions, and most importantly to cooperate with our international partners to counter the threat of proliferation.

This knowledge of the threat, in combination with my own experiences, enables me to make practical decisions that take into account the challenges faced by the front-line officials from shortage of resources, dangerous missions, and the overwhelming need to keep abreast of proliferators and

terrorists' quests to obtain strategic goods through illicit means. In addition, it has been my personal goal and that of ICE, and the US Government as a whole, to strive to put to the forefront the importance of controlling the illicit trade of strategic goods, in addition to performing other important tasks such as the control of drugs and money laundering.

However, the challenges are not unique to ICE, the Department of Homeland Security, and the United States. The United States and other nations have been working for decades to halt the spread of weapons of mass destructions (WMD), their delivery systems, and related materials and technology that threaten the safety and security of the world. Keeping these weapons, their delivery systems and related materials and technology out of the hands of rogue regimes, terrorist groups, and their supporters is an incredible challenge, and a challenge that the citizens we serve are counting on us to meet.

Aside from being a danger to our collective security, the proliferation of WMD and their delivery systems is a barrier to our economic growth and stability. Proliferation distorts trade, increases the costs of doing business by increasing the risk that legitimate shipments could get caught in WMD-

related trafficking. If your territories are known transit or transshipment points used by proliferators, it is only a matter of time before the legitimate trade costs for that port will increase. The U.S. strives to balance security with trade facilitation. Programs such as the Container Security Initiative (CSI), Customs Trade Partnership Against Terrorism (CTPAT), Megaports and other like programs seek to ensure that trade continues in a robust manner while security needs are met.

The Threat

The proliferation of WMD, and their means of delivery is a grave threat to global and regional stability. Press headlines continue to bear out nearly every day that the danger is not diminishing.

Case in point, on July 4-5, 2006, the threat posed to all by proliferators was crystal clear when North Korea conducted multiple tests of ballistic missiles. This provocative action violated the DPRK's pledge to maintain a moratorium on missile testing and is inconsistent with the spirit of the Six-Party Talks Joint Statement of September 19, 2005, in which all parties - including the DPRK - committed to joint efforts to lasting peace and

stability in Northeast Asia. The DPRK is a major proliferator of missiles and missile technology. We continue to call on the DPRK to reconfirm its moratorium on missile launches and to refrain from missile proliferation.

Another country of concern is Iran. The International Atomic Energy Agency (IAEA) confirmed in 2003 that Iran had been pursuing a systematic effort since the mid-1980's to hide secret nuclear activities, including undeclared uranium enrichment, undeclared plutonium separation, and other safeguards breaches using undeclared nuclear materials at undeclared facilities.

The Iranian regime claims its nuclear fuel cycle program is required to support nuclear power and to preserve dwindling oil and gas reserves. Yet, Russia already has offered a lifetime fuel supply for Iran's only nuclear power plant, which remains under construction. Additionally, Iran holds vast reserves of natural gas and oil, and only very limited domestic uranium reserves. There is no reasonable economic rationale to support Iran's pursuit of indigenous uranium enrichment.

The U.S. fully supports states that seek the peaceful benefits of nuclear technology, including power reactors, while continuing to comply with their international nonproliferation obligations. However, the IAEA confirms Iran is not meeting those obligations and the international community lacks the basis for believing that Iran's nuclear intentions are, in fact, peaceful.

The worldwide ballistic missile and chemical and biological weapon threat also is genuine and continues to evolve. For example, Iran and Syria continue to seek precursor chemicals and production technology to augment their chemical weapons production capabilities. Iran is also believed to be actively pursuing biological warfare capabilities. In the missile area, Iran is pursuing development of increasingly longer-range and more capable missiles. Indeed, ICE has identified Iran as one of our main nations of concern and we are concentrating enforcement efforts on proliferation to Iran.

Conventional arms too frequently appear to receive less attention, but they too are a serious concern. Arms races are inherently destabilizing, and preventing destabilizing accumulations must be one element of efforts to address tensions between neighbors, of whatever origin. Those seeking

regional dominance seek weapons far beyond those needed for legitimate defense. They may seek the weapons or they may seek the dual-use technologies to produce their own. Either way, we must be cognizant of the threat and have the tools to prevent it. And the grey and black markets in small arms/light weapons facilitate civil wars, insurgencies, and the kind of murder and genocide we have seen in Darfur, as well as supplying weapons – including man-portable air defense systems, or MANPADS – for terrorists. The horrors experienced in many parts of Africa and elsewhere recently demonstrate why some of my colleagues refer to small arms and light weapons as the “weapons of actual destruction.”

The demonstrated willingness of states and terrorist groups to use the most destructive weapons highlights the stakes of halting the proliferation of WMD and their delivery systems and the ambitions of states like Iran and North Korea. The imperative of this effort is raised further by the revelation that, while they continue to seek WMD technology to advance their own weapons programs, they also have become leading "secondary proliferators" marketing sensitive technology and weapons assistance to others.

We know that terrorist organizations are actively pursuing WMD and are willing to use such weapons should they acquire them. As the world market becomes increasingly vigilant to halting the trade of sensitive items, proliferators and terrorists are becoming more creative, seeking alternative suppliers and using layers of brokers, middlemen, and front companies to obscure the true nature of their acquisitions.

Complicating our efforts to stem the spread of WMD is the fact that sensitive weapons technology often has legitimate commercial applications. These "dual-use" goods are produced by an increasing number of companies in both industrialized and developing countries alike.

With advances in economic integration and in the volume and speed of international trade, it is now easier than ever to transfer sensitive items globally, and more difficult for governments to monitor and control these transactions.

Weapons proliferators, both state and non-state actors, know this and cleverly mask their acquisitions as innocent business transactions. They are exploiting the boom in global commerce by operating in countries with high

volumes of international trade or exploiting free-trade zones, where their illicit procurements and shipments have a better chance of escaping scrutiny.

Strategy

The United States is committed to working with the international community to solve this problem. We must work together to strengthen the nonproliferation mechanisms and to close the loopholes that proliferators exploit. If our nonproliferation agreements are to remain effective, credible tools, it is imperative that all nations uphold their nonproliferation commitments. We must make clear that there are benefits to those that abide by their obligations, and serious consequences for those who do not.

Aside from working bilaterally, we must continue to work together under the auspices of multilateral and regional organizations, such as the United Nations, IAEA, OPCW, Interpol, Asia-Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF).

Just as important as national efforts to stem the threat of WMD, the UN Security Council adopted UNSCR 1540, establishing for the first time

binding obligations on all UN member states to enact and enforce legal and regulatory measures against proliferation. Under Resolution 1540, countries are required to put in place the legal and regulatory infrastructure to prevent the export of WMD and related materials, and technology, and to safely account for and control any materials that they may possess.

Resolution 1540 also helps close an important gap between the global consensus about the threat of WMD proliferation and concrete action on the ground. It makes effective national controls and enforcement a requirement rather than an option. Resolution 1540 seeks to meet proliferators' dedication to ply their deadly trade with the firm resolve of states to cut off the path to proliferation. It places a premium on establishment of legal and regulatory measures at the national level. It seeks to build capacity from the bottom up rather than attempting to impose it from above.

Even as we continue to support the goals of 1540, it remains vital that each country take responsibility to ensure their legal and regulatory frameworks are as strong as they must be to defeat proliferators. This requires proactive measures. In the US, for example, we did not wait for the 1540 Committee to suggest we should have in place additional legal tools to prevent

proliferation financing. The United States saw an opportunity to strengthen our authorities and promulgated an Executive Order that directs the Secretaries of State and Treasury to freeze the U.S. assets of designated entities engaged in proliferation and we urge all like-minded partners to take similar action.

Since this seminar is about international export control systems, I want to focus on the role of export controls, including transit and transshipment controls, as a frontline, constant nonproliferation tool. A good export control system proactively alerts industry to the dangers of inadvertently aiding WMD proliferation and conventional weapons programs. An export control program works with the private sector to prevent proliferation.

When companies are misled by criminal or illicit brokers, or when companies attempt to subvert a country's laws, export controls provide governments with the authority and capability to stop harmful and illicit exports, punish the violators, and expose proliferation networks.

Interdiction

The Proliferation Security Initiative has also been an essential element of the United States' efforts to engage in transformational diplomacy. Trade in

WMD-related technologies and capabilities partly consists of secretive networks that nevertheless trade in the open, using legitimate shipping routes and companies. While the nonproliferation regime is strong, we continue to see cases of proliferation activity. As part of a broad strategy to strengthen our collective capacity to prevent and protect against the threat posed by proliferators from shadowy networks like that led by AQ Khan, President Bush asked countries to join with the United States in launching the Proliferation Security Initiative three years ago.

Since then, PSI participants have put their diplomatic, military, law enforcement, and intelligence assets to work in a multinational, yet flexible, fashion. They have begun applying laws already on the books in innovative ways and cooperating as never before to interdict shipments, to disrupt proliferation networks and to hold accountable the front companies that support them. And our efforts have yielded concrete results. As Secretary of State Rice noted on the 2nd anniversary of the Initiative in May 2005, in the nine months prior to her statement, the United States and ten of our fellow PSI partners have quietly cooperated on 11 successful efforts. For example, PSI cooperation stopped the transshipment of material and equipment bound for ballistic missile programs in countries of concern, including Iran. PSI partners also have worked with others to prevent Iran from procuring goods

to support its nuclear program. And bilateral PSI cooperation prevented the ballistic missile program in another region from receiving equipment used to produce propellant for missiles.

Technical Assistance

The United States has been working with a number of countries to establish and implement effective export control systems that meet international standards through the Department of State-coordinated Export Control and Related Border Security (EXBS) program. The cooperative measures provided by the EXBS program are directly supportive of UNSCR 1540 and helps countries fulfill their commitments in other areas, such as those related to participation in or adherence to the multilateral nonproliferation regimes, and participation in the Proliferation Security Initiative. Through EXBS, we have over the past eight years spent over \$250 million funding assistance and training in 41 nations around the world. ICE has continued to support the EXBS program in an attempt to further multinational goals to prevent the proliferation of sensitive goods.

U.S. Government support is also available for countries that need assistance in implementing IAEA safeguards and the Additional Protocol, in ensuring

the effective protection of nuclear and facilities, in controlling radioactive materials, and in other related areas.

Conclusion

Proliferation is a security threat to almost every state in the world, and each of them should take seriously the larger proliferation of WMD poses to their own internal safety and stability. Those of us here, by our national actions, have signaled our recognition of the danger. But we must do more in outreach to convince a wider set of other countries to take up effective action against proliferation.

Moreover, the emergence of a real threat from a non-state actor in the WMD arena is probably the most significant threat development over the past decade.

It is no longer sufficient to judge an export control regime solely on the question of whether it can prevent a rogue state from conducting a clandestine and illicit WMD program. While that capability is still important, our regimes must also close the loopholes that would permit a

terrorist organization access to WMD capability, even if such access were without the knowledge and blessing of the host state.

Over the coming days, you will have the opportunity to discuss in detail some of themes I have highlighted for you this morning. I hope my remarks have offered a good perspective on the proliferation problem that we all face and on the need for all of us to work together to achieve global security and economic prosperity. The United States looks forward to working with the international community in making significant strides toward promoting nonproliferation goals and strengthening export controls to keep the world's most dangerous technologies out of the world's most dangerous places.

Now it is my utmost pleasure to introduce the second keynote speaker, Director General Sathit Limpongpan of the Royal Thai Customs.