

## **INCREASING SECURITY THROUGH EXPORT CONTROLS**

### **John Schlosser**

It is a great pleasure for me to meet with you today.

I would like to extend my special appreciation and thanks to the Royal Thai Government for co-hosting this regional forum with the United States here in Bangkok.

We have been eager to bring together representatives from the region to talk about the importance of nonproliferation and some of the more practical ways in which to improve national and regional security.

We are meeting at an important and opportune time.

While nonproliferation has been on the global agenda for more than thirty years, we had not until September 2001 witnessed such a stark and devastating example of why it is critical to put in place effective measures to prevent the spread of weapons of mass destruction, missiles, and related technologies.

What we have learned about the terrorists behind the attacks and their ambitions to acquire nuclear, chemical, or biological weapons and their missile delivery systems is truly chilling.

President Bush has made clear that all civilized nations must unite to defend themselves against those who

would pursue terror and lawless violence.

He has said: "every nation in our coalition must take seriously the growing threat of terror on a catastrophic scale -- terror armed with biological, chemical, or nuclear weapons... Inaction is not an option. Men with no respect for life must never be allowed to control the ultimate instruments of death."

And the resolve we have seen of the international community to do what it takes to prevent terrorists from acquiring such weapons is nothing less than inspiring.

We the international coalition, including all those represented here today, have frozen terrorist assets, exposed front groups, removed a terrorist regime, and foiled other terrorist plots.

I want to thank you on behalf of the United States for your courage, your resolve, and your cooperation, without which the global community would not have achieved the success registered thus far in combating this malignant force.

That said, our fight is far from over.

The United States has vowed to do whatever it takes to ensure the safety and security of its people; I am certain each of you also holds a similar vow for your own country.

Together, we can successfully confront the menace that terrorism

and weapons of mass destruction pose to international peace and security.

Today, the threat presented by the proliferation of weapons of mass destruction, missiles, and advanced conventional weapons is more diverse and unpredictable than ever.

Countries of concern, such as Iraq, Iran, and North Korea, now are becoming "secondary proliferators," providing sensitive technology and assistance to other states or terrorist groups, and thereby adding to regional and global instability.

State sponsors of terrorism are one source of the threat -- their leaders are building WMD and ballistic missile programs that would allow them to terrorize their neighbors and enemies.

State sponsors of terrorism also have links with terrorist organizations and can help terrorists build their own weapons of mass destruction.

We know that terrorist organizations are seeking nuclear, chemical, and biological weapons and we can have no doubt that they would use these weapons to kill horrific numbers of innocent civilians.

The threat today also is becoming increasingly difficult to counter.

Technologies with sensitive military applications frequently have legitimate commercial applications as well.

Weapons proliferators know this and cleverly mask their acquisitions as innocent business transactions to deceive government officials and legitimate businesses.

And as a result of increased economic interaction and advances in information and communications technology, it is now easier than ever to transfer sensitive technology and know-how to the far reaches of the globe -- and more difficult than ever to monitor or control such transfers.

So we must redouble our efforts to control these transfers.

And this is the focus of our forum.

The countries assembled here present a unique challenge to export control efforts because they are home to some of the busiest ports in the world.

In the past several years, many of the world's source countries for technologies and components needed to produce weapons of mass destruction have tightened their export control laws and improved their enforcement capabilities.

In response, state sponsors of terrorism and terrorist organizations increasingly are attempting to exploit the less stringent controls that exist in the world's transshipment hubs -- often by diverting legitimate trade or through front companies posing as honest brokers.

Unless transshipment countries -- like those you represent here today -- catch up with these supplier states

and similarly strengthen their export control systems, they will remain an attractive target for this kind of predatory trade.

Unless transshipment countries are taking all the necessary measures on the legal, licensing, and enforcement fronts, one or more of them may well wind up playing an inadvertent – though avoidable – part in some future catastrophic attack by a nation or group using weapons of mass destruction.

Furthermore, unless transshipment countries increase their knowledge of exactly what cargo is moving through their ports, they will continue to leave themselves wide open to the real possibility that some anonymous container containing a chemical, biological, nuclear, or radiological weapon will detonate – by accident or design – in their port.

The consequences of either of these scenarios would be disastrous – in terms of the number of innocent lives lost and in terms of the economic harm due to the disruption in trade and total loss of international confidence in the security of commerce through that port.

In addition to protecting international security, improved transshipment controls and effective risk management enforcement techniques can actually facilitate trade and increase revenue by focusing enforcement efforts on the small fraction of trade that raises concern, while providing greater confidence and quicker clearance for the vast majority of legitimate trade.

To guard against these threats and protect their ports' credentials, governments will need to strengthen legal controls and improve enforcement capabilities to screen cargo for items of that could be intended for WMD programs.

And governments will need to cooperate with industry on information-sharing and compliance measures.

While the threat has never been more serious, our ability to deal effectively with these threats is also improving, as nations around the world take stock of their commitments and capabilities and take appropriate steps to address concerns.

The techniques and tools to combat the spread of these weapons are available -- many of the presenters at this forum will be offering you their expertise on this area -- but we must all make use of them.

National leaders must make addressing these threats that endanger national, regional, and international security their highest priority by making an unambiguous commitment to nonproliferation.

And they must translate that commitment into action, reform, and results.

We would like to see all countries -- not just in this region, but worldwide -- adopt export control laws that are consistent with international norms

and put in place effective measures to implement and enforce these laws.

I think we can agree that the best laws and the most comprehensive control lists have little meaning if governments lack the basic capability to monitor and control what goes through their ports.

I think the discussions at this forum will make clear that government officials will need to be able to review, process, and analyze data on the contents of containers moving through their ports, as well as the contents' origin, destination, end-use, and the companies involved in the transaction.

Governments will need to require this data not only for those items they specifically control under comprehensive export control legislation, but for all items in order to screen for possible mislabeled or smuggled items that could be destined for, or diverted to, a weapons program.

This manifest data will have to be detailed, accurate, and provided in a timely manner – and for this cooperation with industry will be essential.

(We will be joined for the second half of this forum by representatives from leading port authorities and freight forwarder, shipper, carrier, and express mail companies who will share their perspectives.)

Ultimately, political will is thus the most important factor in any national export control system.

Your attendance at this conference is a testament to the commitment that your respective governments have to nonproliferation and their desire to translate that commitment into concrete action, reform, and results.

Fora of this kind represent one way the United States is reaching out to work with other countries to improve international nonproliferation efforts.

The State Department — though our Export Control and Related Border Security Assistance, or “EXBS” program -- has sponsored a series of successful, similar gatherings of nations from such diverse regions as the Middle East, Central Asia and the Caucasus, and Central Europe and the Mediterranean.

In addition, our Export Control and Border Security, or EXBS, program often works bilaterally with other countries on specific activities to improve national export controls.

For example, the program draws on expertise from our Departments of State, Commerce, and Energy, and our Customs Service to provide legal workshops to draft tougher legislation, advice and software to strengthen government-industry cooperation, and equipment and training to improve enforcement capabilities.

In conclusion, I would stress that export controls form a key component of our common struggle against proliferation and terrorism.

Success in this critical effort requires not only a strong global nonproliferation architecture, but strenuous national efforts as well.

Sensitive dual-use commodities and advanced weapons simply cannot be controlled effectively unless there is a broad consensus to do so and cooperation among exporting, transit, and transshipment countries.

And unless we can reliably prevent the unauthorized transfer of potentially dangerous and destructive capabilities to hostile parties, we may all pay the price.

A hard reality is that, so long as there are would-be proliferators or groups seeking WMD, there will always be more that can be done.

But the good news is that every effort made to improve controls over sensitive technologies, no matter how small, makes it harder for states to acquire WMD; it makes it more time consuming and it makes it more costly -- both financially and politically.

Our discussions this week are aimed at helping our governments increase their understanding of and contributions to the ever-tightening global web of control against proliferation of WMD by both state and sub-state proliferators.

Your efforts in this regard will be important to helping achieve a more safe and secure world.

Thank you.