

US DOE/NNSA - INECP



International Nonproliferation Export Control Program

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INECP Presentation Outline

- **Overview, Mission, History**
- **Proliferation Risk and Assessment-Based Engagement Process**
- **Spotlights on Three Main Pillars of INECP Activity**
 - Licensing
 - Enterprise Outreach
 - Enforcement
- **INECP Today**

International Nonproliferation Export Control Program

MISSION

Strengthen global efforts to prevent proliferation of WMD-related materials, equipment, and technology



AREAS OF ENGAGEMENT

Proliferation Risk Analysis in the Licensing Process

- Ensure the license review process competently assesses proliferation risks associated with end-uses and end-users, and ensure technical specialists are being utilized

Government Outreach and Enterprise Compliance

- Assist governments to establish outreach programs and promote enterprise compliance at key enterprises and technology holders

WMD-related Commodity Identification Training and reach-back for Customs

- Ensure enforcement personnel are sensitized to WMD-related materials and equipment, and have access to technical/analytical resources and support

International Nonproliferation Export Control Program (INECP)



- **Threat**

- Networks of procurement agents, brokers, and companies systematically maneuver around and through national export control efforts to obtain commodities and technology needed for WMD development and production facilities

- **INECP Mission**

- Strengthen global efforts to prevent proliferation of WMD-related materials, equipment, and technology



Responding to the dynamic threat ...INECP evolution over time

- **1990's:**
 - INECP helped create export control systems from whole cloth in the Newly Independent States starting in the mid-1990s, focusing on the key nuclear suppliers
 - *Russia, Ukraine, and Kazakhstan*
 - Initial focus was on outreach to nuclear enterprises and the creation of licensing systems

INECP's approach is based on identifying, training, and developing a cadre of technical/nonproliferation specialists in each partner country that can sustain that country's export control system over the long term



Responding to the dynamic threat ...INECP evolution over time

- **2000's:**
 - **Systematic threat assessment drove geographic expansion**
 - *1st phase of geographic expansion took the program to the transit states adjacent to the “big-3” nuclear suppliers:*
 - Caucasus, Central Asia, Baltics
 - *2nd phase (post 9/11), recognizing the threats of procurement networks, non-state actors, weak links in the regime, and secondary suppliers took the program global:*
 - Asia Pacific, Middle East, Europe, Americas
 - **Systematic vulnerability assessment drove topical expansion**
 - *Recognition that effective export control systems depend not only on licensing and enterprise compliance, but also on the ability of frontline enforcement agencies to interdict illicit trade, led to development of Commodity Identification Training (CIT)*

INECP's Country Plans implement these systematic assessments



INECP's Global Proliferation Risk Assessment guides country selection and prioritization

- **Risk is based on Threat and Vulnerability**
 - **Threat** = Supply Threat and Conduit Threat
 - *Supply Threat = capacity to supply CBNM-related goods*
 - *Conduit Threat = Geostrategic position and trade flows*
 - **Vulnerability** = Export Control System defects
 - *Three elements necessary for export control system effectiveness*
 - Licensing
 - Enterprise Compliance
 - Enforcement
 - *Defects in any of these system elements create opportunities for proliferators*



Measuring Proliferation THREAT

- Threat = Supply Threat and Conduit Threat
 - Supply Threat = capacity to supply CBNM-related goods
 - Conduit Threat = Geostrategic position and trade flows indicate access to goods and opportunities for diversion

Potential Supply Threat

Potential Conduit Threat

5	Clear capacity to provide the most vital and sensitive items and know-how.	Suspected/known NW program or possesses enrichment or reprocessing facilities	Military producer of Cat 1 systems and/or possesses ICBM capability	Suspected/known CW program	Suspected/known BW program
4	Ability to provide more sensitive items and know-how	Produces/Supplies nuclear fuel cycle facilities (NSG TL)	Space launch program or produces MTCR Cat I systems	Schedule 1 chemical production capability or legacy CW program	Declared or suspected biodefense program or BW legacy program
3	Clear capacity to supply many of the relevant dual-use commodities and technology	Produces/Supplies NSG DU items	Produces MTCR Cat II systems or subsystems	Produces/supplies Schedule 2 chemicals or AG DU chemical production equipment	Bio-related DU equipment supplier
2	Ability to provide at least some strategic commodities on the multilateral export control lists	Nuclear technology holder	Active aerospace industry	Produces/supplies unscheduled or Schedule 3 chemicals or utilizes them in domestic industry	Active biotech or pharmaceutical industry
1	Virtually no capacity to supply the necessary goods	None	None	Minimal capability for producing controlled chemicals	Minimal capability for producing bio-agents
	GENERAL	Nuclear Supplier	Missile Supplier	Chemical Supplier	Biological Supplier

5	Regime Insider*	Significant trading partner with countries pursuing WMD programs
4	Significant trading partner with a regime insider*	Operates a Free Trade Zone**
3	Geographically adjacent to a regime insider*	Major transit/transshipment hub
2	Adjacent to a country pursuing WMD	Significant international trade relative to GDP
1	Isolated	Minimal trade
	Geo-strategic position	Trade Flows

* "regime insider" includes members of the NSG, MTCR, or AG, as well as countries inside a customs union or open market with a regime member

** "free trade zone" encompasses the broader category of special economic zones, including free ports, export-processing zones, special economic zones, etc.

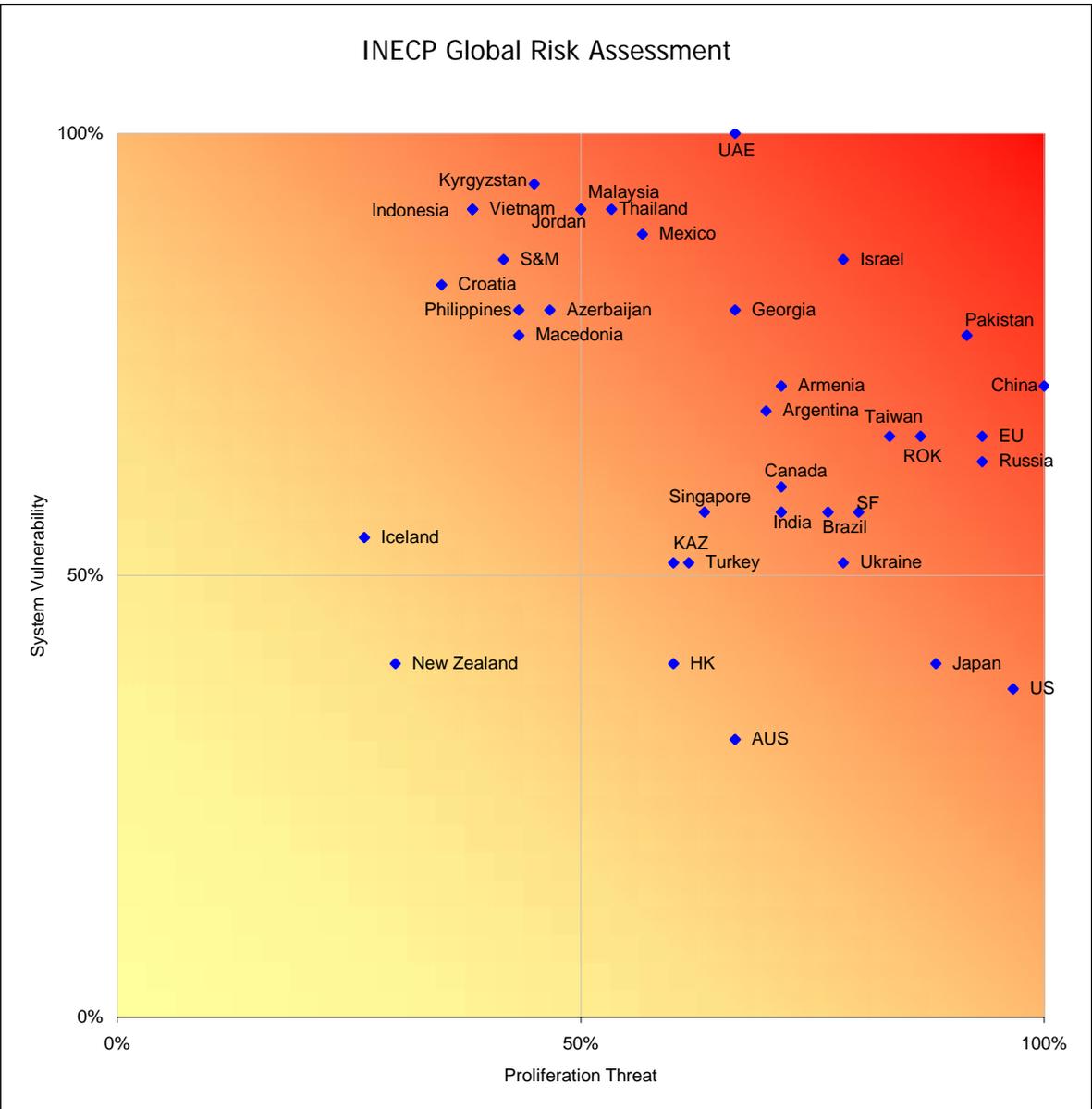


Measuring *VULNERABILITY*

- Defects in any of these system elements create opportunities for illicit procurement
 - *Licensing*
 - *Enterprise Compliance*
 - *Enforcement*

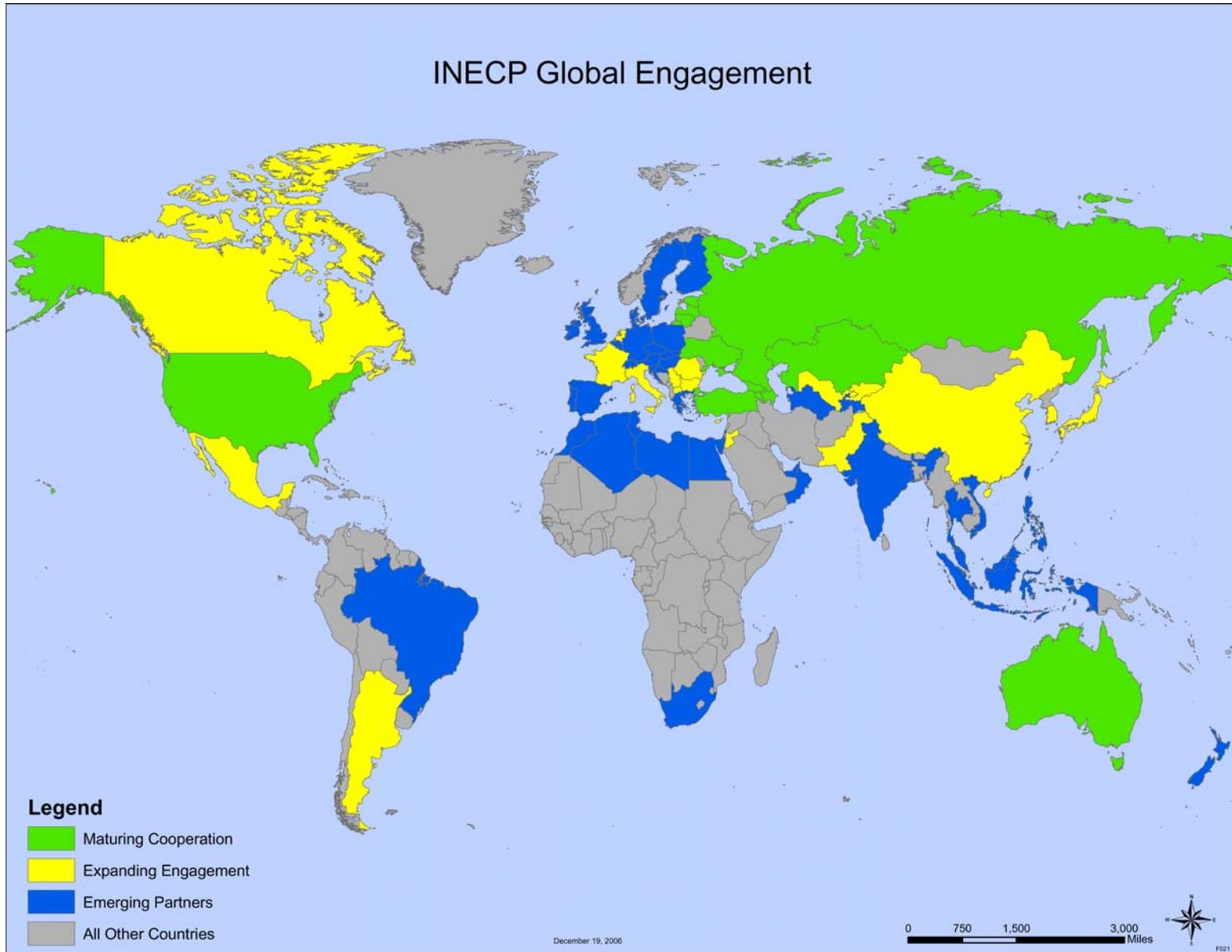
		1	2	3	4	5
Licensing	Proliferation Risk Analysis in Licensing Process	No licensing process and no dual-use control lists	Licensing agencies/process identified and rudimentary control lists in place	Ad hoc links between technical expertise and licensors employed to review licenses and Control lists consistent NSG Part 1 or AP Annex II.	Dedicated/trained groups of nonproliferation technical specialists capable of reviewing DU licenses are used and control lists consistent NSG Part 2.	Competent proliferation risk evaluation, including end use and end user analysis and control lists consistent NSG/MTCR/AG/WA.
Enterprises	Government Outreach to Industry	No inventory of enterprises	Enterprises identified; Guidelines Promulgated	Outreach happening but not to all key enterprises	US-supported, indigenously-staffed outreach to key suppliers	Self-sustainable, indigenous outreach at all key enterprises
Enforcement	WMD/DU Training and Reachback for Customs	No training or no technical expertise available	Basic export control training for enforcement officials and Technical Experts Identified	CIT indigenization underway and <i>Ad hoc</i> referrals to technical experts	Ongoing US-supported CIT and regularized reachback between front line and technical experts established	Indigenous and locally customized CIT established and Technical experts trained and equipped to provide support as requested

The combination of threat and vulnerability guides INECP's country selection and prioritization





The combination of threat and vulnerability guides INECP's country selection and prioritization





Tailored *ENGAGEMENT*

- For each country engaged, INECP tailors its approach according to the assessed deficiencies in the three export control system elements
- The Evaluation and Planning Matrix diagnoses the export control deficiencies that INECP can most effectively target and identifies specific offerings to address those deficiencies
- This matrix forms the basis for all of INECP's annually updated Country Plans.

		1	2	3	4	5
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	INECP Offerings	Tech Exchange Proliferation Awareness Workshop Gap Analysis	ELAN End Use/End User Training I Share DOE Handbooks/Guidebooks Multilat Workshop I	Contract with tech experts TEWG NSG Outreach Workshop	End Use/End User Training II Multilat Workshop II Develop/Deploy Automated License Review	Maintenance
Enterprises	Metric	No inventory of enterprises	Enterprises identified; Guidelines Promulgated	Outreach happening but not to all key enterprises	US-supported, indigenously-staffed outreach to key suppliers	Self-sustainable, indigenous outreach at all key enterprises
	INECP Offerings	Tech Exchange Proliferation Awareness Workshop Identify/train cadre to conduct outreach Indigenous enterprise study	Government-industry seminar Outreach dataproducts/websites	Site-specific, industry-specific, or regional outreach workshops to: 1. nuclear suppliers 2. nuc tech holders 3. AP Annex I Activities 4. WMD DU enterprises	Site-Specific Workshops Handbook Development Negotiate transfer of responsibility	Maintenance
Enforcement	Metric	No training or no technical expertise available	Basic export control training for enforcement officials and Technical Experts Identified	CIT indigenization underway and ad-hoc referrals to technical experts	Ongoing US-supported CIT and regularized reachback between front line and technical experts established	Indigenous and locally customized CIT established and Technical experts trained and equipped to provide support as requested
	INECP Offerings	CIT Short-Course Identify potential sources of tech expertise Trade Flow Analysis Technical Exchange	Develop Training Plan Share CIT Instructional Materials CIT Instructor Training Share DOE Handbooks/Guidebooks Nonproliferation/Tech Training (e.g., ELAN)	TEWG Contract with tech experts Conduct needs analysis for tech tools and guides Contract development of indigenous guides	Collaborative CIT Pilot Course(s) Deploy/train advanced tools (Vision Vest, XRF, etc)	Maintenance

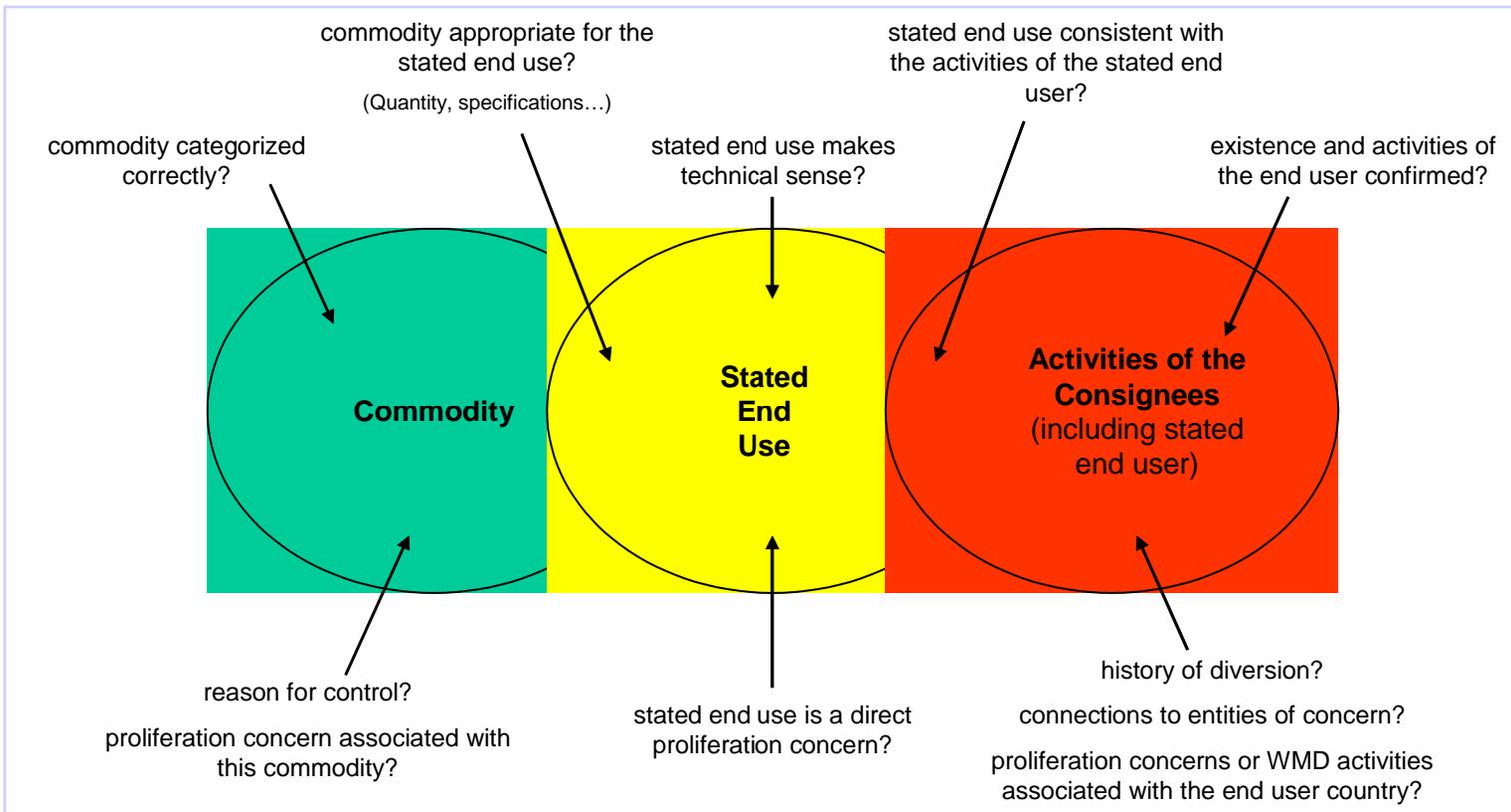


Three Pillars of INECP activity

Major Activity	Who	Why	What
LICENSING	Licensing Officers and Analysts	Need to conduct competent proliferation risk analysis in the licensing process	End Use and End User Analysis Training (EUEU)
COMPLIANCE	Managers of public sector & legacy WMD enterprises, labs, manufacturers, etc.	These major technology holders are targets of opportunity for proliferants	Enterprise Outreach
ENFORCEMENT	Customs Officers and other enforcement personnel	Widespread ignorance regarding strategic commodities	Commodity Identification Training (CIT)

Spotlight on LICENSING

- **End Use/End User (EU/EU) Analysis** focuses on strengthening the ability of analysts to uncover suspicious procurement activity and assess proliferation risk.
- **Analysis of Strategic Commodity Transfers (ASCOT)** helps analysts better understand multilateral controls, including the commercial and WMD applications of listed commodities.



Spotlight on Enterprise Outreach



- **Our unique value added**
 - *Implementing compliance programs at US National Labs*
 - Intangible technology control
 - Technical understanding of the control lists, commodities, WMD programs, acquisition networks
- **Our niche**
 - Public sector, tertiary enterprises and legacy WMD sectors (nuclear, missile, chemical, biological)
 - INECP's flexibility has also allowed us to quickly respond to partner government requests for assistance when other agencies cannot

Spotlight on Commodity Identification Training

- CIT gives inspectors “a trained eye” by familiarizing them with the materials, components, and equipment sought by WMD procurement programs
- CIT simplifies export control lists by grouping items into technology “bundles” and by aiding recognition through a focus on physical appearance, using pictures and demonstration kits:
 - *Equipment*
 - Fabricated Parts and Components
 - Electronics (Components and Equipment)
 - Industrial Equipment
 - Systems and Subsystems
 - *Materials*
 - Structural Materials (metals and non-metals)
 - Special Materials (Nuclear, Chemical, Biological)
- **Indigenization strategy**
 - INECP follows a disciplined indigenization approach based on our technical partnerships to establish ongoing training programs and reachback capabilities

Alloy Analysis with XRF provides capability to determine element composition of alloys and other controlled materials



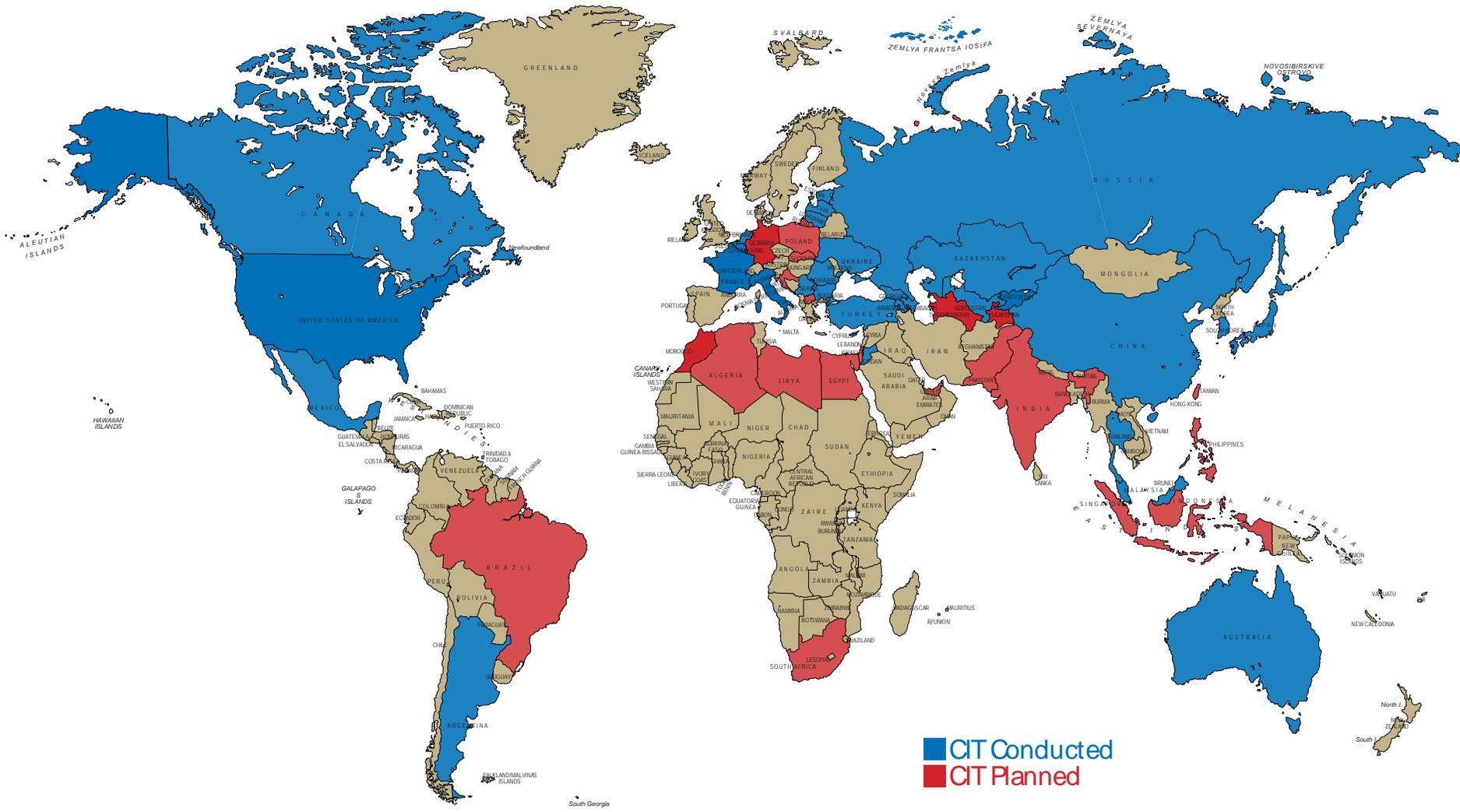
CIT deployment is underway in 25 countries



CIT Implementation Experience



Commodity Identification Training



CIT Conducted
 CIT Planned



INECP Today:

- **International Mandates bolster INECP's timeliness and significance**
 - UNSCR 1718 (sanctions on North Korea) benefited by INECP strategic commodity identification training in sensitive destinations surrounding North Korea (e.g., China, Hong Kong, Taiwan, Thailand, South Korea, Japan)
 - UNSCR 1696 (calling upon States to “to exercise vigilance and prevent the transfer of an items, materials, goods, and technology that could contribute to Iran’s ...programmes”) benefited by INECP commodity identification and other export control training to potential suppliers and transit points: Cyprus, the European Union, Jordan, etc.
 - UNSCR 1540 includes provisions that reinforce INECP's three pillars:
 - *Improve Licensing Procedures & Practices: 3.(d) “Establish, develop, review and maintain appropriate effective national export and trans-shipment controls over such items...as well as establishing end-user controls...”*
 - *Promote Industry Compliance: 8.(d) “To develop appropriate ways to work with and inform industry and the public regarding their obligations under such laws;”*
 - *Strengthen Enforcement Capabilities: 3.(c) “Develop and maintain appropriate effective border controls and law enforcement efforts to detect, deter, prevent and combat...the illicit trafficking and brokering in such items...”*



INECP Today:

- **We are THE recognized experts in Strategic Commodity Control**
 - CIT fills a critical need, and demand has far exceeded all expectations
 - The recognized need for CIT affords INECP ready access to a wide range of countries that would not otherwise accept “export control assistance”
- **Confidence in INECP results in Outreach Partnerships**
 - Japan, Australia, EU
 - Technical Experts Working Groups
- **Regional institutions extend INECP’s reach and contacts**
 - Cooperative Monitoring Center (CMC)
 - Council for Security Cooperation in the Asia Pacific (CSCAP)
 - European Commission Joint Research Centre (JRC)