# U.S. Exports: Foreign Policy Controls

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Background: The Bush Administration is committed to promoting U.S. exports. Exports provide jobs and profits, and enable us to import vital goods to meet growing domestic demand. The U.S. imposes certain controls, however, to ensure that exports are consistent with our foreign policy. Most controls apply to equipment and technology of importance to the economy of the importing country. They affect less than 5 percent, by value, of current U.S. exports.

These foreign policy controls are applied on a worldwide and/or country-specific basis to 10 target areas under the authority of the Export Administration Act of 1979 (EAA)

Terrorism equipment controls: Using the authority of Section 6(j) of the EEA, the Secretary of State had designated Cuba, Iran, Libya, North Korea, Syria, and the People's Democratic Republic of Yemen as countries that repeatedly have provided support for international terrorism. On items for them, broad, country-specific export controls are in place.

Crime equipment controls: These regulate the export of crime control and detection instruments and equipment, and related technology worldwide, except to NATO member countries and Japan, Australia, and New Zealand. Generally, licenses are issued unless we have human rights concerns about the government of the importing country (for example, South Africa and Chile).

Regional stability controls: Exports of equipment used to manufacture military arms and equipment are reviewed to ensure that such exports would not contribute to the destabilization of the region or country of destination.

Anti-apartheid controls: The U.S. prohibits the export to South Africa and Namibia of all military and police equipment; computers to the apartheid enforcing government agencies; facilities for nuclear production and utilization; and all items covered by the United Nations mandatory arms embargo. (The Department of the Treasury prohibits U.S. importation of 13 product categories from South Africa, including all agricultural produce and products, iron, steel, uranium, and gold in all forms.)

Missile technology controls: The U.S. assists other countries in the peaceful uses and exploration of space but seeks to halt the development of weapons delivery systems. On a worldwide basis, the U.S. controls the export of dual-use equipment and materials that are commercial in nature but also useful in the development of missile systems.

Chemical/biological weapons precursors controls: In cooperation with our allies, the U.S. controls the worldwide export of nine chemicals useful in the production of chemical weapons. Exports of an additional 31 chemicals are controlled to specific destinations. Currently all 40 are prohibited to Iran, Iraq, Libya, and Syria. Similar controls are in place on a wide range of bacteria, fungi, protozoa, toxins, viruses, and viroids.

Nuclear controls: The U.S. actively assists other countries to use atomic energy for peaceful purposes but also seeks to halt the spread of nuclear weapons. Thus, the U.S. controls exports of goods or technology that, if misused by the recipient country, could contribute to the production of nuclear explosive devices. The Atomic Energy Act, as amended by the Nuclear Non-Proliferation Act, establishes the controls. Before permitting an export, the U.S. reviews the item's proposed use, whether the government of the purchasing country has signed the Nuclear Non-Proliferation

Treaty, and whether there are acceptable assurances that the item, or nuclear material produced from it, will not be diverted to develop nuclear weapons.

Short supply controls: Controls occasionally are necessary to protect the domestic economy from an excessive drain on scarce material. Congress has legislated restrictions on the export of crude oil and natural gas, refined petroleum and gas products, helium, ammonia, unprocessed Western red cedar logs, and horses for export by sea (to prevent unauthorized slaughter abroad).

Supercomputer controls: For foreign policy reasons, the U.S. requires the individual licensing of supercomputer exports worldwide.

Treasury Department controls: The Treasury Department embargoes most trade and financial transactions with Cambodia, Cuba, Libya, North Korea, and Vietnam. It controls direct trade between the U.S. and Nicaragua and some financial transactions with Panama and South Africa. It also regulates certain imports from Iran and South Africa.

Guidance for exporters: Exporters should consult the *U.S. Export Administration Regulations*, 1988-89 edition (copies are available from the U.S. Government Printing Office, (202) 783-3238--stock number 903-013-00000-1) and the Commerce Department's Office of Export Licensing, Exporter Assistance Staff, (202) 377-4811. For information on the Treasury Department's trade and financial control on Cambodia, Cuba, Iran, Libya, Nicaragua, North Korea, Panama, and Vietnam, exporters should contact the Treasury Department's Office of Foreign Assets Control, (202) 376-0392.

For further information: See Department of State *GISTs* on "U.S. Exports: Strategic Technology Controls" (replaces "Controlling Transfer of Strategic Technology") and "U.S. Export Controls and China."