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## U. S. Exports: Foreign Policy Controls

[The following is an official summary of foreign policy control on U.S. exports. This report was originally published in the July 29, 1991 issue of the *U.S. Department of State Dispatch*, p. 550.]

### BACKGROUND

Exports are a vital part of the U.S. economy. They provide jobs and enable the U.S. to import goods to meet domestic demand. The U.S. imposes certain controls, however, to ensure that exports are consistent with U.S. foreign policy. Most controls apply to equipment and technology of importance to the economy of the importing country. They affect less than 5 percent of the value of current U.S. exports.

These foreign policy controls are applied worldwide and/or to specific countries under the authority of the 1979 Export Administration Act (EAA).

### CONTROLS

**Terrorism Equipment.** Using the authority of EAA Section 6(j), the Secretary of State has designated Cuba, Iran, Iraq, North Korea, Libya, and Syria as countries that repeatedly have provided support for international terrorism. Broad, country-specific export controls are in place for these countries.

**Crime Control Equipment.** These controls regulate the export worldwide of crime control and detection instruments and equipment and related technology, except to NATO member countries and to Japan, Australia, and New Zealand. Generally, licenses are issued unless the United States has human rights concerns about the government of the importing country.

**Regional Stability.** Exports of equipment used to manufacture military arms and equipment and some military transportation equipment are reviewed to ensure that such exports would not contribute to the destabilization of the region or country of destination.

**Anti-Apartheid.** The United States prohibits the export to South Africa of all military and police equipment, computers to apartheid-enforcing government agencies, facilities for nuclear production and utilization, and all items covered by the UN 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.** The United States 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.** Licenses are required worldwide (except for the NATO members, plus Australia, Austria, Ireland, Japan, New Zealand, and Switzerland) for the export of 50 chemical precursors useful in the production of chemical weapons and the export of a broad range of bacteria, fungi, protozoa, toxins, viruses, and viroids. All are prohibited to Iran, Iraq, Libya, and Syria. Licenses are required for exports to specified regions and states of certain dual-use equipment that might be relevant to chemical or biological weapons programs.

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**Nuclear Controls.** The United States assists other countries in the use of 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 of 1954, as amended by the 1978 Nuclear Non-Proliferation Act, establishes the controls. Before permitting an export, the U.S. Government reviews the item's proposed use, determines whether the government of the purchasing country has signed the nuclear Non-Proliferation Treaty, and assesses whether the U.S. has acceptable assurances that the item, or nuclear material produced from it, will not be diverted to develop nuclear weapons.

**Short Supply.** Controls occasionally are necessary to protect the domestic economy from an excessive drain on scarce materials. 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).

**Supercomputers.** 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, Iraq, North Korea, Libya, and Vietnam. It also controls some financial transactions with South Africa and regulates certain imports from Iran and South Africa.

## **GUIDANCE FOR EXPORTERS**

Exporters should consult the U.S. Export Administration regulations (copies are available from the U.S. Government Printing Office, telephone: (202) 783-5238—stock no. 903-014-00000-8) and the Commerce Department's Office of Export Licensing, Exporter Counseling Division (telephone: (202) 577-4811).

For information on the Treasury Department's trade and financial controls on Cambodia, Cuba, Iran, North Korea, Libya, South Africa, and Vietnam, exporters should call the Office of Foreign Assets Control, U.S. Department of the Treasury, 202-566-2701.