
Government Accountability Office: United States Export Licenses Take Too Long

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[The editor of the *DISAM Journal* would like to thank the *DefenseNews* for allowing us to reprint the following article. *DefenseNews* can be accessed through the following web site: <http://www.defense-news.com>.]

A U.S. government study confirms what the defense industry has been complaining about for years. It takes too long for companies to get government-issued weapon-export licenses. Between 2003 and 2006, the wait for arms export licenses nearly doubled, stretching on average from 14 days to 26 days, according to the Government Accountability Office (GAO). During that same period, the number of export license applications increased about 20 percent, from 55,000 a year to 65,000 a year. But the number of licensing officers assigned to process licenses at the State Department's Directorate of Defense Trade Controls (DDTC) actually decreased during two of the four years studied. And a computerized system intended to speed license applications proved barely more efficient than processing applications on paper, the GAO reported.

The findings "are consistent with our experience. The GAO identified many of the same problems that industry has been talking about for a long time," said Jeremiah Gertler, assistant vice president for defense policy at the Aerospace Industries Association.

But GAO statistics tell only part of the story, he said. The average wait of twenty-six days means many licenses take much longer. That is not good.

"It is wartime," Gertler said, and license delays hamper defense companies trying to deliver war supplies to U.S. allies. Bombarded by complaints from industry officials and U.S. allies, the Bush administration is attempting a two-pronged solution. It is considering procedural reforms recommended by industry representatives to speed up the licensing process. But those reforms have not yet been put in place.

The administration has also negotiated defense trade treaties with Britain and Australia that would exempt those countries from many license requirements. But implementing arrangements for the treaties are still being negotiated.

The GAO, meanwhile, calls for a "systematic analysis" of the licensing process to find out where it bogs down and how to fix it.

Fixing the licensing system is preferable to approving treaties that create paths to avoid it, said Matthew Schroeder, who heads the Arms Sales Monitoring Project for the Federation of American Scientists.

Exempting "a large chunk of exports from the licensing process, which the treaties would do, should be a last resort and pursued only after all other options have been exhausted," Schroeder said.

The GAO called the licensing process "a key component of the U.S. export control system to help ensure arms do not fall into the wrong hands." Schroeder said repairs to DDTC might begin with full staffing. The GAO said there were 35 licensing officers in 2003 to handle 55,000 cases. The number of licensing officers fell to 31 in 2004 and 2005, then increased to 35 again in 2006 to handle 65,000 cases, then fell to 34 in 2007.

“In the summer of 2006, about one-half of licensing officers had less than a year of experience, and many did not have the signature authority needed to take final action” on license applications, the GAO reported.

In addition, in 2003 Congress required that ten military officers be continuously detailed to DDTC. But during the period the GAO studied, the number of military officers ranged from three to eight.

As for the automated system, which is called D-Trade, “processing times show no significant difference” from cases submitted on paper applications, the GAO reported.

“DDTC has relied on an information technology solution without re-engineering the underlying processes or without developing tools to facilitate the licensing officer’s job,” the GAO said.

Automated systems designed “to do the same work the same way but only faster typically fail or reach only a fraction of their potential,” the GAO report says.

In a letter to the GAO, Bradford Higgins, assistant secretary of state, said he generally agrees with the GAO’s findings, but noted that the GAO report “does not capture the full impact of licensing guidance and procedural changes that were implemented after March 2007.”

Higgins said the State Department has begun a review to better structure its work force, made staffing changes to two licensing teams and “committed to pursuing technological solutions” to improve the licensing process.