

# Core Elements of a Strategic Trade System

U.S. Department of Commerce

# Impact of Export Controls

- Proliferators/terrorists want or need items from other countries (to include know-how/intangible technology).
- Thwarting proliferator's acquisition efforts directly impedes proliferant/terrorist programs.
- Increasing global acceptance for export controls (UNSCR 1540, etc.)
- Provides domestic legal basis to implement UN and treaty obligations, and to conduct interdictions

# Core Elements

- Legal authority (i.e., Laws/Executive Orders)
- Explicit procedures (i.e., regulations)
- Administrative capability for authorizing exports
- Enforcement capability

# Legal Authority should include...

- Authorization to impose export controls
- Administrative and Regulatory authority
- Authority for a Control List
- License/Permit Processing Authority
- Enforcement Authority to include penalties
- Sanctions Authority

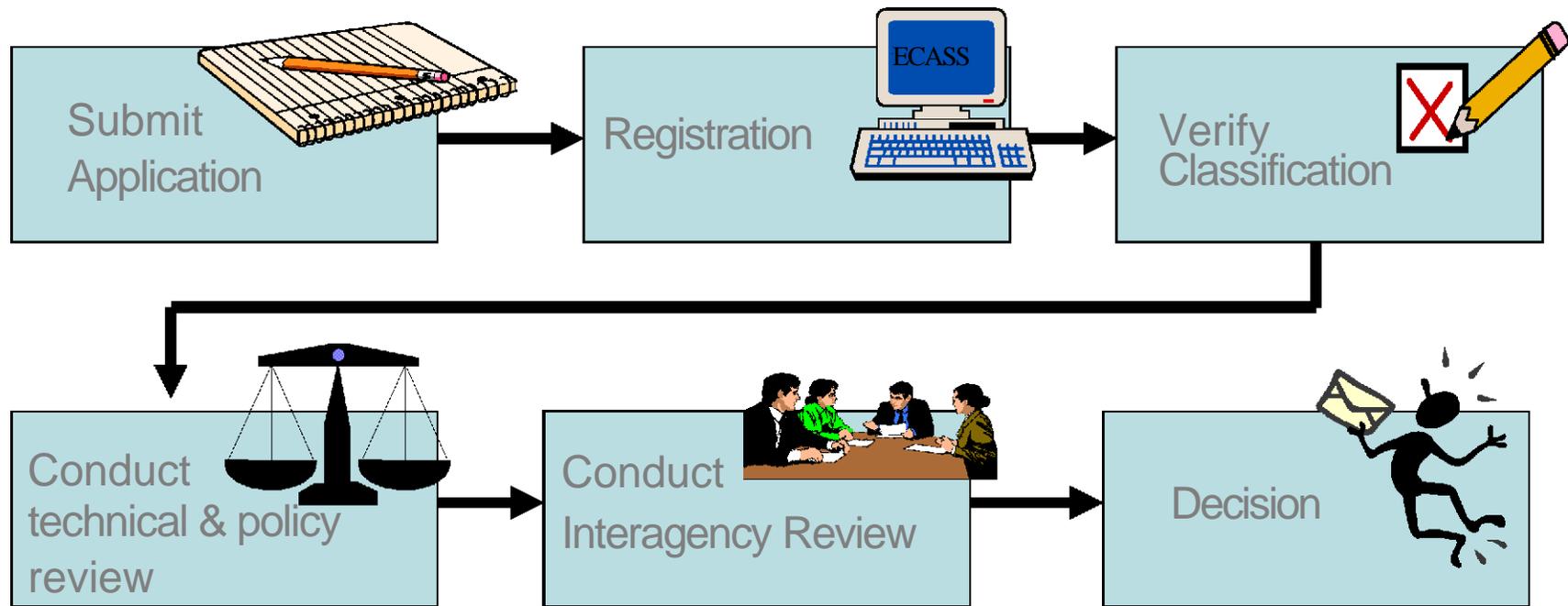
# Explicit Procedures should include...

- Introductory Parts
- License Requirements and License approval/denial Policy Parts
  - - This is where you can include Catch-All, Brokering, and Transit/Transshipment provisions
- License/Permit Processing Parts
- Enforcement Parts
- Definitions
- Control List (and ability to quickly change)

# Regulations Must Be...

- Clear and consistent (i.e., no overlap)
- Adopt “positive” lists like those of regimes/EU
- Provide step by step guidance to exporter, when possible
- Communicated to industry

# An Administrative Capability for Licensing/Permits



# Personnel Qualifications / Skills

It is important for licensing personnel to have the following skills:

- Policy expertise
- Application evaluation skills  
(technical and administrative)
- Decision-making competence

# Effective Enforcement

## OVERVIEW

- **Enforcement needs to be proactive and backed by adequate resources and appropriate policy guidance to support:**
- **Investigations And Prosecutions**
- **Penalties And Sanctions**
- **Industry Outreach**
- **Domestic & International Law Enforcement Cooperation**

# Summary

- Laws/Executive Orders
- Regulations and Control Lists
- Licensing/Permit Process
- Enforcement