



INTERNATIONAL EXPORT CONTROL

Observer

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Letter from the Editor

The Center for Nonproliferation Studies (CNS) is pleased to announce the creation of the *International Export Control Observer (IECO)*. The *IECO* replaces the *NIS* and *Asian Export Control Observers* and will report on weapons of mass destruction (WMD) export controls in six regions of the world.

A combination of circumstances led to the creation of *IECO*. The first is the clear success of the *NIS Export Control Observer*. Since its first issue in January 2003, the *NIS Export Control Observer* has steadily increased its distribution and widened its audience to reach nearly all the regions of the world. The wide interest in the *NIS Export Control Observer* led to the launch, in the spring of 2004, of the *Asian Export Control Observer*, dedicated to export control developments in a second region of high interest to our readers. Soon thereafter readers expressed their desire for an enlarged scope of coverage to other areas, such as the Middle East and the Balkans.

In parallel, global nonproliferation developments provided a compelling rationale for expanding our coverage. The discovery of the A.Q. Khan nuclear trafficking network and the creation of new international initiatives, such as the Proliferation Security Initiative, starkly underscore the global nature of WMD proliferation challenges and mechanisms for addressing them. In this context, it is only logical that we break away from our regional framework and join our heretofore separate audiences by unifying and enlarging the scope of the two original publications to create a newsletter that will report on the status of export controls and nonproliferation in diverse regions of the world.

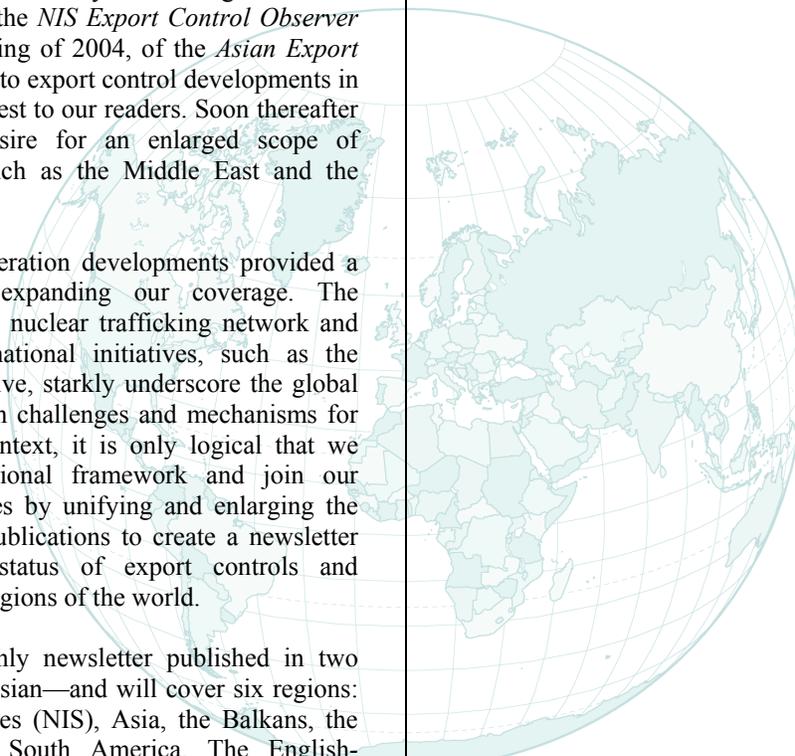
The *IECO* will be a monthly newsletter published in two languages—English and Russian—and will cover six regions: the Newly Independent States (NIS), Asia, the Balkans, the Middle East, Africa, and South America. The English-language version will be distributed electronically to government officials and nongovernmental organizations (NGOs) in Africa, Asia, the Balkans, Canada, Europe, the Middle-East, South America, and the United States, as well as international organizations that follow WMD export control issues.

The Russian-language newsletter will be prepared for circulation to the NIS export control community. This version will be somewhat shorter than the *IECO*, consisting of select articles relevant to the NIS, including key international and regional developments. It will be distributed electronically as well as in hard copy. Both versions of the *IECO* will be posted on the CNS website, which will maintain an archive of the *IECO*, as well as past issues of the *NIS* and *Asian Export Control Observers*.

It is our goal to make the *IECO* a shared professional publication that will, as its predecessors have, strengthen the sense of common purpose among the international export control community.

We hope that you find our inaugural issue informative and, naturally, we look forward to your comments and recommendations.

Sonia Ben Ouagrham
Editor-in-Chief



Recent Developments

Russia Adopts New Licensing Rules to Facilitate Implementation of Catch-All Provision

On August 15, 2005, Russian Prime Minister Mikhail Fradkov signed government Decree No. 517 approving the rules *On Licensing by the Export Control Commission of the Russian Federation of Transactions with Goods, Information, Activities, Services, and Intellectual Property that Can Be Used by a Foreign State or Foreign National to Create Weapons of Mass Destruction and Their Means of Delivery*.

The new rules supersede government Decree No. 57 of January 22, 1998, *On Reinforcing Controls Over Exports of Dual-Use Goods and Services Related to Weapons of Mass Destruction and Their Means of Delivery [Missiles]*. The new rules describe the licensing procedure for foreign economic transactions with goods and technologies that are not included in the Russian export control lists and aim to help Russian exporters implement the catch-all provision contained in Article 20 of the Russian law *On Export Control*.

According to Article 20 of the law *On Export Control*, as further detailed by the new rules, Russian exporters must obtain a license from the Export Control Commission, if they have been informed by the Federal Technical and Export Control Service (FTECS) [Russia's licensing authority] or other relevant government agencies that a product to be exported can be used to create WMD or means of their delivery, or if they have a reason to believe that a product can be used, in full or in part, for this purpose.

To help Russian exporters, the rules contain a list of conditions to look for that could give an exporter reason to suspect that a product to be exported can be used to create WMD and means of their delivery:

- if there is official information that a recipient foreign state violated its nonproliferation commitments;
- if a Russian exporter knows that a foreign national, be it a contractor, recipient or end user of a product to be exported, is linked to military nuclear, chemical, biological or missile programs;
- if a foreign recipient is not willing to provide information on end use, end users, and location of use of a product to be exported;
- if the technical characteristics of a product to be exported do not correspond to the declared end use;
- if the quantity and characteristics of a product to be exported do not correspond to the type of production, technical level, and production capacities of an end user;
- if a foreign recipient places high demands on maintaining confidentiality with regard to end use and end users of a product to be exported;

- if a foreign recipient uses unusual payment arrangements or seeks to pay by cash;
- if an export order for a product has been placed by an organization or individual located in a country different from the recipient country;
- if a foreign recipient or end user of a product to be exported rejects without supporting reasons installation, assemblage, and maintenance services offered by a supplier;
- if a foreign recipient places high demands on packaging and labeling of a product to be exported that will hinder customs clearance and control;
- if there is information that a foreign recipient or end user intends to modify a product to be exported that will make it usable for the creation of WMD or their means of delivery;
- if a foreign recipient or end user of a product to be exported uses a post office box for business correspondence;
- if a foreign recipient chooses economically irrational means and routes for shipping a product to be exported to its declared destination;
- if a foreign recipient indicates an area or facility with restricted access to foreigners as a location of use of a product to be exported.

According to the new rules, to obtain a license for export transactions with items that are not included in the Russian export control lists, but which do come under the catch-all rule, Russian exporters must submit the following documents to FTECS: a license application; a copy of the contract; a copy of a document confirming the registration of a legal entity or an individual in Russia's Uniform State Register of Legal Entities or Uniform State Register of Individual Entrepreneurs, respectively; a copy of an identity document for individuals who are not individual entrepreneurs; technical description of the goods to be exported; and information on the foreign recipient and the location of use of the product to be exported.

After receiving a complete set of application documents, FTECS, jointly with the Ministries of Defense and Foreign Affairs and, if needed, other federal agencies, will conduct a state examination of the suggested export transaction. If the state examination concludes that the transaction requires a license, the Export Control Commission will decide whether to grant or deny the license. The rules, however, do not specify the timeframe for decision making. The commission's executive secretary must notify an exporter of its decision within three working days after the decision is made. According to the rules, a license, if issued, must be signed by the chair, deputy chair or executive secretary of the Export

Control Commission. No fee is required for the review and issuance of licenses.[1]

Editor's Note: Established in March 2004, FTECS responsibilities include technical counterintelligence, protection of information and state secrets, and export control. FTECS reports to the Ministry of Defense. For more information on FTECS, see the FTECS website (Russian only) at <<http://www.fstec.ru>> and Elina Kirichenko, "New Licensing Agency Created in Russia," NIS Export Control Observer, No. 19, August 2004, pp. 3-4, <<http://www.cns.miis.edu/pubs/nisexcon/>>

Source: [1] "Postanovleniye Pravitelstva RF ot 15 avgusta 2005 g. N 517 'O poryadke polucheniya razresheniya Komissii po eksportnomu kontrolyu Rossiyskoy Federatsii na osushchestvleniye vneshneekonomicheskikh operatsiy s tovarami, informatsiyey, rabotami, uslugami, rezultatami intellektualnoy deyatel'nosti, kotoryye mogut byt ispolzovany inostrannym gosudarstvom ili inostrannym litsom v tselyakh sozdaniya oruzhiya massovogo porazheniya i sredstv yego dostavki'" [Decree of the Government of the Russian Federation No. 517 of August 15, 2005. *On Licensing by the Export Control Commission of the Russian Federation of Foreign Economic Transactions with Goods, Information, Activities, Services, and Intellectual Property that Can Be Used by a Foreign State or Foreign National to Create Weapons of Mass Destruction and Their Means of Delivery*]. Government of the Russian Federation website, <http://govportal.garant.ru:8081/SESSION/S___L4xejeA1/PILOT/main.htm>

Tajikistan and Uzbekistan Open New Customs Checkpoint

On August 29, 2005, Tajik and Uzbek government officials opened a new customs checkpoint between their countries. The Fotehobod customs complex, located between northern Tajikistan's Mastchoh District and Uzbekistan's Bekobod District, will use modern equipment to check goods, vehicles, and individuals. Construction of the new facility is part of Dushanbe's plan to build customs checkpoints that meet international standards. [1]

Source: [1] "New Customs Checkpoint opened on Tajik-Uzbek Border," Tajik television first channel, August 29, 2005; in BBC Worldwide Monitoring; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>

Changes in Personnel

New Deputy Head of Russian FTECS Appointed

On August 3, 2005, Russian president Vladimir Putin appointed Boris Viktorovich Nazarov first deputy director of the Federal Technical and Export Control Service (FTECS). Sergey Grigorov continues to serve as FTECS director.[1] Nazarov previously served as Grigorov's deputy at the State Technical Commission, a predecessor of the FTECS.[2].

Sources: [1] Edict of the President of the Russian Federation No. 912 of August 3, 2005, "O pervom zamestitele direktora Federalnoy sluzhby po tekhnicheskomu i eksportnomu kontrolyu" [On the First Deputy Director of the Federal Technical and Export Control Service], President of Russia website, <<http://www.kremlin.ru>>. [2] "Struktury gosudarstvennoy vlasti RF" [Structure of the Government of the Russian Federation], Business-Press agency, October 1, 2002; in Integrum Techno, <<http://www.integrum.com>>.

Illicit Trafficking

South Korean Company Allegedly Assisted Iran in 2004 and 2005 in Acquiring Nuclear Material

The German magazine *Der Spiegel* reported on July 25, 2005, that an Iranian company secretly bought 300 units (15 millicuries, or mCi) of nickel-63 (Ni-63) in December 2004 from France's Sodern, a subsidiary of European Aeronautic Defense and Space Company (EADS), with South Korea's Kyöngdo Enterprises acting as a broker. According to *Der Spiegel*, Kyöngdo Enterprises supplied the Ni-63 for US\$98,720.[1] [Editor's Note: Ni-63 is a radioactive form of nickel used for a limited number of civilian purposes, such as in gas chromatographs. It is also used in the triggering mechanisms of nuclear weapons to enhance the performance of special electronic devices, called krytrons, which are used to detonate the weapon. According to unofficial sources, each krytron would require about 5 microcuries of Ni-63; thus, 15 mCi could, in principle, supply enough radioactive material for 3,000 krytrons or enough for dozens of nuclear weapons.]

Der Spiegel also claimed a second transaction was conducted secretly via the same South Korean company to obtain tritium targets, which can be used to trigger the chain reaction in nuclear weapons. *Der Spiegel* did not identify the Iranian firm but claimed the purchase price of US\$33,000 was over the market value, which raised suspicions about the transaction.[1]

In response to the German article, a South Korean official from the Ministry of Science and Technology (MOST) stated that "the [South Korean] company, engaging in intermediary trade, adhered to the law and rules when it sold 300 [units of] Ni-63." Since the Korean company acted as an "intermediary," the goods in question did not enter South Korea and were therefore not subject to local customs or export regulations.[2] According to a company representative, the company had obtained a document from the Iranian firm stating that the Ni-63 was to be used for detecting gas leaks, which is one of the common civilian uses for the material.[3]

According to information obtained by the *International Export Control Observer* from a well-informed South Korean government official, the case began in December 2004 when the Polaris Company of Iran placed an order with Kyöngdo Enterprises for tritium targets. In February 2005, U.S. intelligence alerted the South Korean government that Kyöngdo was trying to obtain tritium from France, and following an investigation, the South Korean government worked with the French government to prevent the shipment from leaving France.[4]

Later, however, in July 2005, the South Korean government learned that Kyöngdo Enterprises transshipped 300 units of Ni-63 from Russia to Iran. The shipment left Moscow by air and transited through South Korea's Incheon International

Airport in July on the way to Tehran. According to the South Korean official, Ni-63 is not on any South Korean control list, and South Korean laws do not cover transshipment cases for South Korean firms.[2]

A number of major nuclear supplier nations, particularly the United States, have been calling on South Korea to strengthen its export control regulations. [*Editor's Note: For more on this, see "South Korea Hosts Export Control Workshop as U.S. Raises Concerns about ROK Export Control System," Asian Export Control Observer, No. 7, April/May 2005, pp. 17-18., and "South Korea Launches Online Database for Strategic Items Exports," Asian Export Control Observer, No. 6, February/March 2005, pp. 2-3 <<http://www.cns.miss.edu/pubs/observer/asian/index.htm>>.*] South Korea's Ministry of Commerce, Industry and Energy (MOCIE), which has been working to improve its control of sensitive exports, introduced a reform bill on August 16, 2005, to address some of the lapses in the current foreign trade regulations.[5] The reform bill, which was based on UN Security Council Resolution 1540, includes added controls over computer software and technology assets that may contribute to the development of WMD, missiles, and even certain conventional weapons.[6]

If passed, the new bill will also significantly increase control and monitoring of intermediary trade to third countries, such as the transfer of Ni-63 to Iran described above. The reform bill, which will be submitted to the National Assembly in October 2005, requires intermediary traders to obtain government clearance for transactions dealing with controlled items and allows South Korean authorities to confiscate strategic items when necessary.[6,7]

Sources: [1] "German Magazine Reports Iran Continuing to Buy Parts for Nuclear Bomb," *Der Spiegel*, July 25, 2005; in FBIS Document EUP20050725085008; "Iran Acquiring Nuclear Parts from Europe – Report," *Iran Focus*, July 26, 2005, <<http://www.iranfocus.com/modules/news/print.php?storyid=2980>>; "Officials Comment on *Der Spiegel* Report of ROK 'Export' of Radioactive Materials to Iran," *JoongAng Ilbo*, July 27, 2005; in FBIS Document KPP20050727000091. [2] "ROK Ministry: Ni-63 Isotopes Sale to Iran 'Adhered to Law,' Tritium Export Groundless," Yonhap News Agency, July 27, 2005; in FBIS Document KPP20050727000138; "Officials Comment on *Der Spiegel* Report of ROK 'Export' of Radioactive Materials to Iran," *JoongAng Ilbo*, July 27, 2005; in FBIS Document KPP20050727000091. [3] "Pangsasŏng Mulchil Iransuch'ulŭn Chŏngsang'gŏrae" [Radioactive Materials Exports to Iran Is Normal Transaction], Yonhap News Agency, July 27, 2005, <<http://www.yonhapnews.net>>; "Officials Comment on *Der Spiegel* Report of ROK 'Export' of Radioactive Materials to Iran," *JoongAng Ilbo*, July 27, 2005; in FBIS Document KPP20050727000091. [4] Interview with South Korean government official by Daniel A. Pinkston, Kwachŏn, South Korea, September 12, 2005. [5] Ch'oe Su-Mun, "Hangukŏpch'ae Iran'e Haengmulchil Such'ul" [Korean Company Exports Nuclear Materials to Iran] *Sŏl Kyŏngjae Sinmun*, July 27, 2005, in KINDS, <<http://www.kinds.or.kr>>; "Officials Comment on *Der Spiegel* Report of ROK 'Export' of Radioactive Materials to Iran," *JoongAng Ilbo*, July 27, 2005; in FBIS Document KPP20050727000091. [6] Kim Ch'ang-Wŏn, "Chŏllyangmulcha Pulbŏpsuch'ul Chŏbŏl Kanghwa" [Illegal Export of Strategic Goods Punishment Strengthened], *Donga Ilbo*, August 17, 2005, in KINDS, <<http://www.kinds.or.kr>>; "S. Korea to Tighten Grip on Strategic Exports," Yonhap News Agency, August 16, 2005; in FBIS Document KPP20050816000033. [7] "Chŏngbu, Taewoemyŏkpŏp Kaechŏng Ŭi'gyŏn

Ch'ŏngch wi; UN Anbori Tae'ryangp' agoemugi Hwaksan Kŭmji Ddara" [Government: Accepting Suggestions for Foreign Trade Law Reform; Following UNSC's WMD Nonproliferation], *Labor Today*, August 17, 2005, in KINDS, <<http://www.kinds.or.kr>>; "S. Korea to Tighten Grip on Strategic Exports," Yonhap News Agency, August 16, 2005; in FBIS Document KPP20050816000033.

LEU Seized in Turkey, No Terrorist Connections Found

On August 16, 2005, Turkish police arrested two men in Istanbul trying to sell 173 grams of uranium for US\$7 million, Anatolia News Agency reported. After examining the seized material, the Turkish Atomic Energy Authority announced that the seized uranium was enriched to 17 percent U-235, a level making it unsuitable for nuclear weapons. According to MosNews.com, the uranium was contained in a glass bottle.[1,2]

The seizure was the result of a joint sting operation by the police and the secret service.[3] The two individuals were arrested during the attempted sale of the uranium to undercover policemen. The perpetrators claim that the material was smuggled from Russia.[1] Right after the arrest, Turkish Atomic Energy Authority issued a statement declaring that the material did not pose a threat to the public and also noted that the market value of the seized uranium was US\$1,500.[3]

According to information obtained by the *International Export Control Observer*, the detainees are Turkish citizens who have been involved in similar smuggling incidents before. So far, Turkish authorities have not found evidence that terrorist organizations or any specific country were the intended recipients of the material. Investigation into this incident continues.[4] The *International Export Control Observer* will provide additional information as it becomes available.

Editor's Note: Aside from the BN-350 breeder reactor in Aktau, Kazakhstan, and the BN-600 fast breeder reactor in Beloyarsk, Russia, there is one Russian research reactor located in Snezhinsk using fuel of 17 to 90 percent enrichment. This information suggests the material involved may be research (or breeder) reactor fuel of Russian or Kazakhstani origin.

Sources: [1] "Turkey Seizes Uranium Smuggled from Russia – 'sources,'" Anatolia News Agency, August 16, 2005, in BBC Monitoring International Reports, <<http://www.monitor.bbc.co.uk>>. [2] "Russian Uranium Seized in Turkey, Dealers Detained," MosNews.com, August 17, 2005, <<http://www.mosnews.com/news/2005/08/17/uraniumsmuggle.shtml>>.[3] "Suspected Uranium Smugglers Arrested in Turkey," Agence France Presse, August 17, 2005, in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com/>>. [4] Correspondence with an international security expert in Turkey, September 28, 2005 by *Observer* editorial staff.

International Assistance Programs

United States and Ukraine Sign Biological Threat Reduction Agreement

On August 29, 2005, the United States and Ukraine signed an agreement to counter the threat of bioterrorism and prevent the proliferation of biological weapons (BW), related technology, materials, and expertise. The signing ceremony was held at the Kiev Central Sanitary and Epidemiological Station and attended by Ukrainian Minister of Health Mykola Polishchuk and U.S. senators Richard Lugar (Republican of Indiana), chairman of the Senate Foreign Relations Committee, and Barack Obama (Democrat of Illinois), who came to Ukraine as part of their visit to the region to review progress being made under the U.S. Cooperative Threat Reduction (CTR) program.[1,2,3]

Under the agreement, the United States will assist Ukraine in upgrading safety and security of biological pathogens currently stored at public health laboratories throughout Ukraine. In addition, the United States will assist Ukraine in improving detection, diagnosis, and treatment of infectious disease outbreaks, as well as assessing whether they are natural outbreaks or the result of a terrorist act. The United States will provide a modern, safe, and secure diagnostic laboratory and assist in creating a national network of adequately equipped epidemiological monitoring stations. The leading Ukrainian facilities under the agreement are the I. Mechnikov Anti-plague Scientific and Research Institute in Odessa, which is expected to expand the study and capacity to diagnose the spread of avian flu in migratory birds, and the Kiev Central Sanitary and Epidemiological Station, which conducts research on highly dangerous pathogens, including those causing anthrax, tularemia, brucellosis, listeriosis, diphtheria, cholera, and typhoid.[1,2]

Ukraine became the fifth NIS country to sign a BW proliferation prevention agreement with the United States, joining Azerbaijan, Georgia, Kazakhstan, and Uzbekistan. The agreement is a result of U.S.-Ukrainian negotiations that have lasted for more than a year. On May 16, 2005, Senator Lugar wrote to Ukrainian President Victor Yushenko asking to advance the agreement: "For several years, the United States has sought to expand our cooperation to include preventing the spread of biological pathogens and expertise to terrorists....Such cooperation is ongoing with Georgia, Uzbekistan and Kazakhstan, and just last week, the government of Azerbaijan signed an agreement to cooperate in this area. Unfortunately, bureaucratic obstacles in your government continue to block conclusion of such an agreement between the Ukrainian Ministry of Health and the U.S. Department of Defense." According to a press release on Senator Lugar's website, only personal intervention by former

Ukrainian Prime Minister Yuliya Tymoshenko "broke a log jam within Ukrainian government bureaucracy" and made possible the signing of the agreement.[1,2]

Sources: [1] "New Nunn-Lugar Biological Agreement Signed in Ukraine," Office of the U.S. Senator for Indiana Richard G. Lugar (R) Press Release, August 29, 2005, U.S. Senator for Indiana Richard G. Lugar (R) website, <<http://lugar.senate.gov/pressapp/record.cfm?id=245041>>. [2] "U.S., Ukraine Sign Agreement to Counter Threat of Bioterrorism," U.S. Department of State's Bureau of International Information Programs, August 29, 2005, <<http://usinfo.state.gov>>. [3] "Ukraina podderzhala borbu mira s bioterrorizmom" [Ukraine Supports International Struggle Against Bioterrorism], Glavred.info (Ukraine), August 29, 2005, <<http://www.glavred.info/print.php?news=/archive/2005/08/29/171651-6.html>>.

OSCE Carries Out Training Program for Border Guards in Georgia

On July 11, 2005, the first group of 77 Georgian border guards graduated from a month-long training course carried out by the Organization for Security and Cooperation in Europe (OSCE) Mission to Georgia, as part of the OSCE's Training Assistance Program (TAP).[1,2] The head of the OSCE Mission to Georgia, Ambassador Roy Reeve, who attended the graduation ceremony held at the training center in the mountainous Kazbegi district in northern Georgia, lauded the TAP program and expressed OSCE's confidence that the "Georgian Border Guard service will be feeling the benefit of their new capacities." [1,2] At the ceremony the graduates demonstrated their newly acquired skills in mountain rescue to Western diplomats, Georgian government officials, and dignitaries, as well as to the second group of TAP trainees.[2]

In accordance with the TAP objectives, an international team of OSCE experts in border monitoring will train a total of 850 Georgian border guards at the four mountainous training centers in Georgia—Kazbegi, Lagodekhi, Lilo, and Omalo.[1,2] [Editor's Note: Except for Lilo, which is located close to the capital Tbilisi, the training sites are in northern Georgia bordering on the Russian Federation.] The training course curriculum includes the following theoretical and practical components:

- rescue operations in mountainous areas and security rules, including helicopter operations and pilot practical training;
- planning and management of border units;
- training in patrolling, reporting, observation, and recording techniques;
- maintenance rules of special equipment;
- legal aspects of border protection;
- map reading;
- communications;
- first aid.[1,2,3]

The training course will be held continuously throughout the year at the four training centers, and, as of the end of summer 2005, about 400 border guards were scheduled for training. In addition, the training program has a "train the trainers"

component. During these seminars, OSCE instructors selected from among the trainees individuals who would later become trainers.[1,2]

In his comments to the online magazine *Civil Georgia*, the Deputy Commander of the Georgian Border Guard Department General Korneli Salia emphasized that this was the first-ever OSCE border assistance program carried out in Georgia. In particular, he noted, “This is something new for us. Georgian border guards have never undergone training like this, especially in rescue operations in mountainous areas.”[1] While expressing his gratitude to the OSCE for TAP training, General Salia also pointed out that such training should be complemented by technical assistance and, in particular, equipment upgrades, which the Georgian border guard service sorely needs.[1]

Editor’s Notes: OSCE approved the TAP program on April 14, 2005 (OSCE Permanent Council Decision No.668), and the program was officially launched by the OSCE Mission to Georgia in Tbilisi on April 18, 2005. With a budget of € 2.6 million (US\$3,175,640), the TAP program employs 50 people, including 30 international experts in border monitoring, who carry out the training. The main contributors to the TAP program are Germany, Turkey, and the United States. [3,4]

The budget of the Georgian Border Guard Department for 2005 is estimated at 19 million Lari (approximately US\$10.4 million).[1]

Sources: [1] “First Group of Border Guards Graduate OSCE-led Training,” *Civil Georgia* [Georgian on-line magazine], July 11, 2005, <<http://www.civil.ge/eng/article.php?id=10333>>. [2] “First Group of Georgian Border Guards Graduate from OSCE Mission’s Intensive Training Program,” OSCE press release, July 12, 2005, <http://www.osce.org/georgia/item_1_15637.html>. [3] Giorgi Sepashvili, “OSCE Approves Georgian Borderguard Training,” *Civil Georgia* [Georgian on-line magazine], April 14, 2005, <<http://www.civil.ge/eng/article.php?id=9604>>. [4] OSCE Secretariat, Conflict Prevention Center, “Survey of OSCE Long-Term Missions and other OSCE Field Activities,” August 26, 2005, <http://www.osce.org/documents/sg/2004/05/3242_en.pdf>.

Washington to Provide Additional US\$16.5 Million for Tajik Border Security

The United States has set aside US\$16.5 million from supplemental funds to assist Tajikistan in fighting narcotics trafficking and improving border security. This addition is part of a total US\$59.9 million package in U.S. assistance for Dushanbe in fiscal year 2005, of which US\$26.2 million is earmarked for security and law enforcement programs.

With the transfer of responsibility for the Tajik-Afghan border from Russia to Tajikistan completed in June 2005, Washington’s 2005 assistance package provides additional funds for programs intended to help Tajikistan defend its borders from the transit of WMD, illicit drugs, and potential terrorists.

These programs include the following:

- the Export Control and Related Border Security Assistance program, which works with Tajik export control officials, customs, and border guards to combat transshipments and exports of WMD, illegal dual-use technology items, and other border security violations;
- the International Military Education and Training Program, which helps facilitate greater professionalism through reform of the armed forces; and
- U.S. nonproliferation assistance for former weapons scientists from Tajikistan through the International Science and Technology Center in Moscow.[1]

Editor’s Note: Under an October 2004 bilateral Russian-Tajik agreement, Russian border troops had to turn over responsibility for the Tajik-Afghan border by the end of 2005. The transfer was completed in June 2005. A Russian task force will remain in Tajikistan, however, and Russian military advisors will continue to work with Tajik border guard detachments.[2,3] As of June 2005, the Tajik border guards number about 15,000.[4] They are currently headed by Colonel General Saidamir Zuhurov, a former Soviet KGB official who has served as chair of the Tajik National Security Committee, interior minister, and security minister.[4,5]

Sources: “U.S. Assistance to Tajikistan — Fiscal Year 2005,” U.S. Department of State Fact Sheet, August 17, 2005, U.S. Department of State website, <<http://www.state.gov/p/eur/rls/fs/51370.htm>>. [2] “Russia Transfers New Tajik-Afghan Border Sections under Tajik Control,” ITAR-TASS, May 12, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [3] “Security on Tajik-Afghan Border Unchanged After Russian Handover — Official,” ITAR-TASS, May 23, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [4] Igor Plugatarev, “Okhrana rubezha po Pyandzhu ne oslabnet” [The protection of the border on the Pyanj river will not weaken], *Nezavisimoye voyennoye obozreniye* [Independent Military Review, analytical supplement to *Nezavisimaya gazeta*] online edition, No. 20 (429), June 3, 2005, <http://nvo.ng.ru/forces/2005-06-03/1_ohrana.html>. [5] “Tajik Border Chief, Afghan Deputy Minister Discuss Security,” Avesta website; BBC Worldwide Monitoring, September 2, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.

Lithuanian Border Guards to Assist Georgian Counterparts

On August 30, 2005, the Lithuanian government approved the country’s participation in the European Union’s (EU) mission in Georgia aimed at assisting the Georgian State Border Guard Department. According to this decision, two officers from the Lithuanian State Border Protection Service—Major Jan Baranovski and Captain Sergey Makarov—joined the EU mission, which will last from September 1, 2005 to February 28, 2006. The Lithuanian officers are responsible for analyzing the security situation on the Georgian borders, evaluating border management activities of the Georgian State Border Guard Department, observing patrol work by local border guards, and estimating the need for relevant training and equipment.[1]

Source: [1] "Litovskiyе pogrаnichniki primut uchаstiyе v missii ES v Gruzii" [Lithuanian Border Guards Will Participate in the EU Mission in Georgia], Baltic News Service, August 30, 2005; in Integrum Techno, <<http://www.integrum.com>>.

United States and Libya Sign 'Sister Laboratory Agreement'

On August 24, 2005, the U.S. Department of Energy's National Nuclear Security Administration (NNSA) and Libya's National Bureau of Research and Development signed a "Sister Laboratory Agreement." [1] According to the agreement, scientists from the Lawrence Livermore, Los Alamos, and Oak Ridge National Laboratories will work with scientists at the Tajura Nuclear Research Center in Libya to redirect their former nuclear weapons research program to peaceful applications. All activities will take place in accordance with the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

Scientists will collaborate in areas such as radiation protection, research reactor applications, nuclear medicine, health physics, environmental monitoring, and water resource management. Eileen Vergino of the Lawrence Livermore Laboratory Center for Global Security Research will lead the redirection efforts on the U.S. side. The Libyan researchers are expected to benefit from the collaboration through acquisition of equipment and advanced scientific knowledge.

The agreement signifies a restoration of ties between the United States and Libya, which were reestablished in June 2004 following Libyan leader Mu'ammаr Al-Qadhafi's announcement in December 2003 that Libya was abandoning its program to develop WMD.[2] Libya has also denounced terrorism. Along with scientific collaboration, the United States has also taken steps to normalize economic ties with Libya.[3]

Sources: [1] "Atoms for Peace," Inside the Pentagon, Vol. 21/No. 34, August 25, 2005, p. 1. [2] "US Indicates More Concessions for Libya if Concerns Addressed," Agence France Presse, August 20, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [3] Kim Gamel, "Rice: U.S. Committed to Ties with Libya," Associated Press, September 17, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.

Summaries from the Regional Press

President Musharraf Admits Nuclear Scientist Transferred Centrifuges, Designs to North Korea

On August 24, 2005, during an interview with the Japanese Kyodo News Agency in Islamabad, Pakistani President General Pervez Musharraf publicly acknowledged for the first time that Pakistani nuclear scientist Abdul Qadeer Khan had transferred uranium enrichment centrifuge machines and their

designs to North Korea.[1] However, Musharraf denied that Khan's actions had significantly helped North Korea's nuclear weapons program, stressing that while Khan's laboratory was engaged in uranium enrichment, it was not involved in the other activities necessary for the development of nuclear weapons, including the preliminary step of converting uranium into gas for the enrichment process and the development of the nuclear-weapon triggering mechanisms and delivery systems.

With regard to the number of complete centrifuges and their parts Khan supplied to North Korea, Musharraf declared that he did not remember the exact number. In addition, he said that he was not sure whether Khan had provided uranium hexafluoride (UF6) gas to be used for uranium enrichment. He denied, however, that Khan had exchanged uranium enrichment technology for North Korean missile technology. While admitting that there was some cooperation in conventional weapons between Pakistan and the DPRK, Musharraf denied the existence of any bilateral cooperation in strategic or nuclear weapons.[2]

In his interview, Musharraf admitted that he first became suspicious about Khan's activities in 1998, although it was not until 2003 that the first concrete evidence of Khan's nuclear smuggling activities came to light. When asked how Khan was able to proliferate nuclear technology, Musharraf explained that Khan had a completely autonomous organization with sufficient financial resources, as well as private security and intelligence systems. He added that all the relevant information of Khan's proliferation activities had been provided to Western governments, including Japan.[3]

Sources: [1] "Report: Musharraf Says Nuclear Scientist Transferred Centrifuges, Designs to North Korea," Associated Press, August 24, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] "Musharraf Says Khan Offered Centrifuges, Designs to N. Korea," Japan Economic Newswire, August 24, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [3] "Musharraf Daitoryo Kaiken Youshi," [Summary of President Musharraf's Interview,] *Too Nippo*, August 24, 2005, <http://www.toonippo.co.jp/news_kyo/news/20050824010061441.asp>

Belarus Customs Officials Sentenced for Taking Bribes

On August 10, 2005, N. Korenik, the former deputy chief of Oshmyan customs, was found guilty of taking bribes and sentenced to seven years in jail by the Smorgon district court [Hrodna Region] in Belarus. In December 2004, Korenik solicited and received a US\$9,500 bribe from a businessperson to recover a confiscated shipment seized at the Kammeny Loh checkpoint on the Lithuanian border. No details regarding the contents of the shipment were given.

In addition to the seven-year sentence, the court ordered the seizure of Korenik's property and barred him from managerial positions and entrepreneurial activities for five years.[1,2]

Korenik's is the latest in a string of criminal cases involving Belarusian customs officials. In July 2005, Sergey Dmitriyev, the former head of the Customs Control Directorate at the Belarusian State Customs Committee, and 15 other individuals were sentenced to various jail terms for crimes, including abuse of power, bribe taking, nonpayment of customs fees, and fraud. Dmitriyev and the others, including officials from the Minsk regional customs office, formed a criminal group that, from June 2001 to 2003, bilked the government of about 2.6 billion Belarusian rubles (about US\$1.2 million) by illegally importing various goods such as paper, leather goods, coffee, and chocolate. Earlier this year, in January 2005, nearly 40 customs and border officials from the Smorgon border guard unit and 26 customs officials from the Zapadnyy Bug customs office were under investigation for wrongdoing.[3,4]

Sources: [1] "Belarus Customs Official Gets Seven Years in Jail for Bribery," *Belapan* online newspaper, August 10, 2005; in FBIS Document CEP20050810027111. [2] Oleg Litskevich, "Na tamozhne stanut brat menshe" [They will be taking less at customs], *Minskyy kuryer* online edition, No. 696, August 12, 2005, <<http://www.mk.by/archiv/12.08.2005/rub5.php>>. [3] Roman Rud, "Granitsa bez kriminala" [A border without criminals], *Sovetskaya Belorussiya* online edition, No. 16 (22173), January 27, 2005, <<http://www.sb.by/article.php?articleID=41489>>. [4] Sergey Satsuk, "Tamozhennika izolirovali na 13 let" [Customs official put away for 13 years], *Belorusskaya delovaya gazeta*, July 15, 2005; in *Belapan* online newspaper, <http://naviny.by/ru/content/rubriki/2-ya_gruppa/kriminal/15-07-05-1/>.

International Supplier Regimes

Iraqi Officials Trained in CWC Implementation at OPCW Headquarters

On July 6-9, 2005, nine Iraqi government representatives participated in a three-day Chemical Weapons Convention (CWC) implementation training workshop made possible by a voluntary contribution from the Japanese government and held at the headquarters of the Organization for the Prohibition of Chemical Weapons (OPCW) in The Hague, the Netherlands.

The aim of the CWC implementation training workshop was to lay the groundwork for Iraq's future accession to the CWC by acquainting Iraqi government officials with the requirements that Iraq must satisfy after it accedes to the convention. These requirements include preparing national declarations, establishing and operating a national authority, enacting national implementing legislation, and putting in place regulatory measures such as national export controls on certain treaty-related chemicals.[1,2]

OPCW Director-General Ambassador Rogelio Pflirter thanked the Iraqi officials for participating in the CWC training course and assured them that the OPCW would continue to facilitate Iraq's CWC accession efforts. [*Editor's Note: As of October 2005, the Republic of Iraq had not yet acceded to the CWC and therefore is not a member of the OPCW.*] In his

welcoming address to the workshop participants, the permanent representative of Japan to the OPCW, Mr. Kyoji Komachi, expressed the Japanese government's support for Iraq's intention to accede to the CWC and commended the Iraqi officials for their efforts to prepare for treaty implementation. In response, the ambassador of the Republic of Iraq to the Kingdom of Netherlands, Mr. Siamand Banaa, reaffirmed that Iraq is determined to accede to the CWC in order to ensure that the former regime's acquisition and use of chemical weapons will never be repeated.[1,2]

Editor's Note: The CWC mandates the state parties and the OPCW to monitor the production, processing, consumption, export, and import of certain chemicals and precursors that can be used to make chemical weapons. Relevant toxic chemicals and precursors are classified by the CWC into three "schedules" based on their risk to the convention, plus an additional category of "unscheduled discrete organic chemicals" (UDOCs). In accordance with the CWC's Annex on Implementation and Verification, CWC state parties must submit to the OPCW an initial declaration no later than 30 days after the convention enters into force for the state party, and annual declarations that provide detailed information on the production, processing, consumption, import, and export of scheduled chemicals and UDOCs above certain quantitative thresholds. [3,4]

Sources: [1] "OPCW Trains Iraqi Officials in CWC Implementation," OPCW website, Press Release No.32, July 11, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR32_2005.html>. [2] "OPCW Trains Iraqi Officials in CWC Implementation," *Chemical Disarmament Quarterly* [official publication of the OPCW], Vol. 3, No.3, September 2005, <http://www.opcw.org/docs/publications/cdq_sep2005.pdf>. [3] Provisions of the Chemical Weapons Convention Referring to Legislation; OPCW website, <<http://www.opcw.org/>>. [4] Chemical Weapons Convention: Annex on Implementation and Implementation [Part I: Definitions, Part VI: Activities Not Prohibited Under This Convention In Accordance With Article VI – Regime for Schedule 1 Chemicals And Facilities Related To Such Chemicals, Part VII: Activities Not Prohibited Under This Convention In Accordance With Article VI – Regime for Schedule 2 Chemicals And Facilities Related To Such Chemicals, Part VIII: Activities Not Prohibited Under This Convention In Accordance With Article VI – Regime for Schedule 3 Chemicals And Facilities Related To Such Chemicals]; OPCW website, <<http://www.opcw.org/>>.

Five More States Ratify the CWC

The Kingdoms of Cambodia and Bhutan, the Republic of Honduras, and the Caribbean island nations of Antigua & Barbuda, and Vanuatu deposited their instruments of ratification of the CWC with the UN secretary-general on July 19, August 18, August 29, August 29, and September 16, 2005, respectively, bringing the total number of CWC state parties to 175.[1,2,3,4,5] In accordance with the convention, 30 days after depositing their instruments of ratification, these states are CWC state parties and members of the OPCW.

Cambodia is the ninth member of the Association of Southeast Asian Nations (ASEAN) to join the CWC.[1] [*Editor's Note: ASEAN was established in 1967 by five Southeast Asian states—Indonesia, Malaysia, Philippines, Singapore, and*

Thailand—to facilitate economic development, social progress, and cultural development in the region and to promote regional peace and security. ASEAN member states are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. With the sole exception of Myanmar—a CWC signatory state that has not yet ratified the convention—all ASEAN member states have ratified the CWC.]

By ratifying the CWC, the Kingdom of Bhutan became the last member of the South Asian Association for Regional Cooperation (SAARC) to join the treaty.[2] *[Editor's Note: SAARC was founded by Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka in 1985 to accelerate the process of economic and social development in the member states. All SAARC member states are now party to the CWC.]*

With the ratification of the CWC by the Republic of Honduras, the provisions of the treaty now cover all countries of Central, North, and South America and the vast majority of the Caribbean islands.[3] The ascension of Honduras to the OPCW membership is consistent with the resolution adopted by the General Assembly of the Organization of American States (OAS) in June 2004 declaring the Americas a region free from chemical and biological weapons.[3] Currently, 31 out of the 35 OAS members are states parties to the CWC. *[Editor's Note: OAS was established in 1948, when 21 nations of the Western Hemisphere signed the OAS Charter. OAS founding member states were Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba (at present excluded from participating in OAS), Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the United States, Uruguay, and Venezuela. The main purpose of OAS is to promote good governance, strengthen human rights, foster peace and security, facilitate regional trade, and solve the complex regional problems caused by poverty, drugs, and corruption. Subsequently, 14 other American states, mostly Caribbean islands, decided to join the OAS, increasing the organization's membership to the current total of 35.]*

With the ratification of the CWC by the island nations of Antigua & Barbuda and Vanuatu, the OPCW membership now totals 175.[4,5] *[Editor's Note: On October 16, 2005—30 days after depositing its CWC ratification instrument with the UN—Vanuatu became the 175th member of OPCW.]*

Sources: [1] "Cambodia Ratifies the Chemical Weapons Convention" OPCW website, Press Release No. 35, July 22, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR35_2005.html>. [2] Bhutan Ratifies the Chemical Weapons Convention," OPCW website, Press Release No. 39, August 24, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR39_2005.html>. [3] Honduras Ratifies the Chemical Weapons Convention," OPCW website, Press Release No. 41, September 5, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR41_2005.html>. [4] Antigua and Barbuda Accedes to the Chemical Weapons Convention," OPCW website, Press Release No. 42, September 5, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR42_2005.html>. [5] "Vanuatu Joins the Chemical Weapons Convention," OPCW website,

Press Release No. 49, September 21, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR49_2005.html>.

Nigerian President Calls on OPCW to Open a Regional Office in Africa

On June 28, 2005, Olusegun Obasanjo, the president of the Federal Republic of Nigeria and the current chair of the African Union (AU), visited the headquarters of the OPCW in The Hague, the Netherlands.[1] In the course of his visit, President Obasanjo met with the director-general of OPCW, Ambassador Rogelio Pflirter, who briefed him on progress in implementing the provisions of the CWC on the African continent. Following this meeting, the Nigerian president met with Ambassador Alfonso M. Dastis, the current chair of the OPCW Executive Council and permanent representative of Spain to the OPCW, and addressed the 41st Session of the Executive Council.[1]

In his address to the Executive Council, Obasanjo pointed out that his visit to the OPCW was the first by an AU chair, indicating the importance that the AU attaches to eliminating threats posed by WMD, including chemical weapons (CW). Obasanjo expressed concern over the fact that some of the states possessing CW are lagging behind in the destruction of their arsenals. In particular he noted that "of the 70,000 metric tonnes of declared weapons agents, the OPCW is said to have verified the destruction of only 9,600 tonnes." This, in Obasanjo's opinion, makes it virtually impossible to achieve the complete destruction of declared CW stockpiles by 2012, as envisioned by the extended deadline agreed to by the OPCW.[2] *[Editor's Note: Since President Obasanjo's speech in late June 2005, these figures on CW destruction have changed slightly. According to the OPCW website, as of August 31, 2005, 11,971 metric tons of the total of 71,373 tons of declared chemical agents have been destroyed.]*[3] The Nigerian president also emphasized that "African States have always supported the measures needed to avoid or eliminate the proliferation or use of these WMD." [2] He reminded his audience that the AU member states had agreed to declare Africa a chemical weapons-free zone at the summit held in Khartoum, Sudan, in March 2002. To further illustrate the commitment of African countries to the objective of eliminating CW, Obasanjo stated that 41 OPCW member states are African nations, with other countries on the African continent showing increased interest in joining the organization.[2] *[Editor's Note: By the end of October 2005, there will be 175 members of the OPCW; states automatically become members once they ratify the CWC.]* [3] The Nigerian president also stressed that the possibility of CW falling into the hands of non-state actors should serve as an added incentive for expanding CWC membership and intensifying the implementation of the treaty.[2]

In conclusion, Obasanjo reiterated the challenges confronting the OPCW and urged the organization to "strongly consider"

the proposal to set up a regional office in Africa.[2,4,5] In his view, the primary purpose of the proposed OPCW regional office would be to serve as a hub for information exchange, cooperation, and coordination of actions with African countries, which are often unaware of relevant international developments because of a lack of resources. Obasanjo also emphasized that the OPCW could play an important role in promoting public education campaigns against WMD in Africa by cooperating with and supporting African educational institutions and nongovernmental organizations.[2,4,5]

Sources: [1] "President of Nigeria and Chairman of the African Union Obasanjo visits the OPCW, Reaffirms Cooperation with the OPCW," OPCW website, Press Release No.28, June 30, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR28_2005.html>.[2] "Statement by His Excellency, Olusegun Obasanjo, President, Federal Republic of Nigeria, During His Official Visit to the Organisation for the Prohibition of Chemical Weapons Headquarters at The Hague, the Netherlands, on 28 June 2005," OPCW website, <http://www.opcw.org/html/global/speeches/2005/president_nigeria_ec41.html>.[3] "Instant Briefing: Results," OPCW website, <<http://www.opcw.org/>>.[4] "Obasanjo Wants Anti-Chemical Weapons Regional Office in Africa," Panafrican News Agency (PANA) Daily Newswire, June 28, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.[5] "Obasanjo Wants OPCW Regional Office in Africa," Africa News, June 29, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.

Embargoes and Sanctions Regimes

Korean Man Sentenced to U.S. Prison for Exporting Military Parts to China

On August 30, 2005, South Korean citizen Park Kwon Hwan (also known as Howard Park) was sentenced to 32 months of federal imprisonment after having pled guilty in November 2004 to violating the U.S. Arms Export Control Act and to conspiracy charges for exporting Black Hawk helicopter engines to China. Park will face three years of parole and possible deportation to South Korea following his release.[1,2]

Investigations into Park's illicit actions reach back to 2001 when he submitted documents to the U.S. State Department that claimed the military engines were intended for the Malaysian and South Korean militaries and included end-user certificates bearing signatures of Malaysian and South Korean military officials. On April 8, 2002, Park used the forged documents to purchase and ship two Black Hawk engines, worth US\$1.05 million each, from an affiliate of Sikorsky Aircraft based in Stratford, Connecticut. The engines arrived in Malaysia, and then Park had them transferred to China.[1,2,3]

U.S. officials were unaware of the illegal shipments until Park and his associates attempted to purchase four additional engines for the S70 Sikorsky helicopter. The engine manufacturer—General Electric—became suspicious of Park and notified federal officials in New Haven, Connecticut,

about the proposed purchase. Investigations by Immigration and Customs Enforcement (ICE) agents revealed that Park claimed to represent the South Korean military and again provided falsified documents.[4,5,6] Subsequent investigations by the Defense Criminal Investigative Service (DCIS) and ICE revealed that the signatures were forged and that the governments of Malaysia and South Korea never placed such orders. Park exited the country for his native South Korea before authorities could act.

ICE agents, having learned that Park intended to re-enter the United States on March 27, 2004, tracked his movements and apprehended him on April 1, 2004, at Dulles International Airport in Washington, DC, as he attempted to board a plane for Beijing, China, with generation III night-vision military gear, which is also subject to export controls.[3,4,7]

U.S. Attorney Kevin O'Connor stated that the United States had worked closely with Republic of Korea (ROK) officials to investigate and prosecute the case. A former ROK military official, Son Yong Chin, who helped Park sign and submit the fraudulent documents to the U.S. State Department, was prosecuted in Seoul and sentenced to an eight-month prison term. Another Korean-American man, Chun Sung Ryul (also known as Roger Chun), is currently being sought by U.S. authorities in South Korea.[2,4,5]

Sources: [1] "South Korean National Who Illegally Diverted Helicopter Engines to China Sentenced to Federal Prison: Former South Korea Military Official Also Prosecuted Overseas in Connection with Case," U.S. Immigration and Customs Enforcement News Release, August 30, 2005, <<http://www.ice.gov/text/news/newsrelease/articles/050830newhaven.htm>>.[2] "South Korean National Pleads Guilty to Illegally Exporting Military Helicopter Engines to China," US Fed News, November 10, 2004; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.[3] Jerry Seper, "S. Korean Pleads Guilty in Arms Deal," *Washington Times*, November 11, 2004.[4] "ICE Uncovers Three Major Arms Trafficking Plots: Two of the Cases Involve Illegal Exports of Defense Technology to China," U.S. Immigration and Customs Enforcement News Release, May 10, 2004, <<http://www.ice.gov/graphics/news/newsreleases/articles/051004trafficking.htm>>.[5] "Sikorsky Engine Trader Sentenced," *Connecticut Post*, August 31, 2005, <<http://www.connpost.com>>.[6] "Kunsajangbi Milpanch'ul Hyöm'ui Han'in, Yönbanggömch'al'e Kiso [Korean Man Indicted for Smuggling Military Equipment, Federal Prosecution Says]," *Hankook Ilbo*, May 12, 2004, in NJ Han'in T'aun, <<http://njhanintown.com>>.[7] "Korean Man Jailed in U.S. for China Military Sales," Reuters, August 31, 2005, in DefenseNews.com, <<http://www.defensenews.com>>.

South African Businessman, British Arms Dealer Sentenced in U.S. Courts

In August and September 2005, U.S. courts handed down sentences to convicted felons in two unrelated, high-profile cases, one involving the illegal export of controlled U.S.-origin nuclear technology, and the second involving the illegal export of shoulder-fired rockets. The *NIS Export Control Observer* covered these events in past issues and the *International Export Control Observer* is pleased to provide updates to these important cases.

Asher Karni

On August 4, 2005, Asher Karni, an Israeli citizen and South African resident accused of trafficking in triggered spark gaps, was sentenced to 36 months in prison by a U.S. court in Washington, DC. [Editor's Note: *Triggered spark gaps, used in medical devices that treat kidney stones, can also be employed as detonators in nuclear weapons.*] Karni pled guilty in September 2004 to five federal felonies, including conspiracy to export controlled nuclear commodities to Pakistan. Under U.S. law, Karni faced imprisonment of 87 to 108 months, but the judge gave a reduced sentence because of Karni's cooperation in the investigation.[2]

Karni was arrested on January 1, 2004, as he entered the United States at Denver International Airport, after a months-long investigation into his company's exports of U.S.-origin dual-use triggered spark gaps to Pakistan via South Africa and the United Arab Emirates (UAE). For more information on the case, see "The Globalization of Nuclear Smuggling: Methods Used by Two Pakistan-Based Networks," *NIS Export Control Observer*, No. 27, May 2005, pp. 19-24, and "Israeli Citizen Accused of Shipping Nuclear Components to Pakistan," *NIS Export Control Observer*, No. 13, February 2004, p. 9, <<http://www.cns.mii.edu/pubs/nisexcon/>>

Hemant Lakhani

In an unrelated case, a U.S. district court in New Jersey sentenced British arms dealer Hemant Lakhani, age 70, to 47 years in prison for attempting to provide material support to terrorists in the brokering of shoulder-fired missiles, among other charges. Lakhani was arrested in August 2003 in New Jersey after he was caught in a sting operation brokering portable IGLA SA18 shoulder-fired, surface-to-air missiles to a U.S. government informant. The sting operation involved authorities from Russia, the United Kingdom, and the United States. Lakhani sold one sample missile (previously disabled by Russian authorities) and offered to provide a total of 200 missiles—as well as anti-aircraft guns, tanks, armored personnel carriers, radar systems, and a dirty bomb—to his client. In one meeting between Lakhani and his client, the former recommended using "50 [missiles] at a time, simultaneously," in different cities, to bring down commercial airliners in the United States. The jury reached its decision after only seven hours of deliberation.[2]

Sources: [1] "Information Issued by U.S. Attorney's Office for the District of Columbia on Aug. 5: South African Resident Sentenced for Trafficking in Nuclear Detonators, Other Commodities Controlled for Nuclear Non-Proliferation Reasons," *US Fed News*, August 5, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] "Information Issued by U.S. Attorney's Office for New Jersey on April 12: British Arms Dealer Sentenced to Maximum Sentence – 47 Years – for Attempting to Aid Terrorists," *US Fed News*, September 12, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.

International Developments

World Customs Organization Adopts Standards for Secure Trade

In response to the growing concern that terrorists might target or make use of the global shipping system, the 166 members of the World Customs Organization (WCO) unanimously adopted the *Framework of Standards to Secure and Facilitate Global Trade* during the WCO June 2005 session.[1]

The framework is based on four principles: harmonizing advance electronic manifests; using risk management approaches to target suspect shipments; requiring exporting countries to agree to perform inspections, preferably with non-intrusive detection equipment (e.g., X-ray machines and gamma ray detectors) at the reasonable request of importing countries; and accruing benefits for businesses (designated as Authorized Economic Operators) that agree to minimal standards for supply-chain security.

The framework is built around a "customs-to-customs" pillar designed to enhance cooperation and communication between customs agencies in importing and exporting nations, and a "customs-to-business" pillar that encourages businesses to adopt voluntary security measures in exchange for expedited service at borders. Under the framework, advance cargo declarations have been streamlined to 17 common data units that can be used to assess the risk of the shipment being compromised by terrorists. [2]

The United States has already announced that it will implement the WCO standards by June 2006. One hundred other countries have also signaled their intent to adopt the new standards. Adoption is expected to be slower among developing nations that lack the information technology and telecommunications networks to communicate with their trading partners. [3]

Many companies appear optimistic about the new regulations and the possibility of streamlined security measures throughout the world trading system. As Theo Fletcher, IBM's vice president of import compliance stated: "When we implement [the WCO measures], it will create efficiencies for us around the world, with fewer inspections and quicker clearance through international customs." [4] IBM had pushed for the framework, releasing a study that outlined "collateral benefits" businesses could accrue through voluntary investment in supply chain security, including the possibility of eliminating much of the US\$50 billion lost to theft each year by businesses around the world. [5]

The WCO was already in the process of developing international standards for the submission of electronic manifest information before the September 2001 terror attacks in the United States. With international attention increasingly

focused on vulnerabilities in the transport and shipping industries, the WCO passed the Resolution of the Customs Cooperation Council on Security and Facilitation of the International Trade Supply Chain during its June 2002 meeting. Under that resolution, a task force including senior customs officers from 50 countries, representatives from intergovernmental organizations, and private sector experts was created to standardize the data elements necessary to identify high-risk cargo and to facilitate the exchange of information between exporting and importing countries. [6] The task force completed the first draft of the framework in June 2003, which was subsequently adopted during the December 2004 WCO Policy Commission meeting in Amman, Jordan.

The newly adopted framework mirrors and institutionalizes many recent U.S. maritime security initiatives. The U.S. government's policy on maritime security has focused on four core initiatives:

- the "24 hour advance manifest" rule that requires the submission of an electronic manifest to U.S. Customs 24 hours before loading vessels destined for, or transiting through the United States;
- the Container Security Initiative (CSI) that authorizes U.S. Customs and Border Protection (CBP) to post officials at foreign ports to run risk assessments on cargo destined for the United States and make formal requests to host officials to perform examinations of high-risk cargo before they are shipped;
- the Customs and Trade Partnership Against Terrorism (C-TPAT), a voluntary program that rewards businesses that shore up the security of their shipping networks with faster customs processing at the port of entry; and
- the Automated Targeting System, a computer network that uses risk assessment procedures to provide automated risk management of containers shipped to the United States.

Speaking before customs officials from 22 countries on April 21, 2005, CBP Commissioner Robert Bonner, outlined the reasons for internationalizing U.S. cargo standards. According to Bonner, the U.S. government has "better secured the movement of cargo to the U.S. in ways that have improved the efficiency of trade. But these same principles can—and should—be applied wherever in the world that trade moves, whether it is from Pakistan to the U.K.—or North Africa to the ports of Italy. And private sector companies should have one set of standards to comply with, not multiple and differing standards." [7] Officials from the U.S. CBP have been working to enlist the support of developing countries by incorporating their concerns into the framework, especially over illegal trade in basic commodities. As Keith Thomson, assistant commissioner in CBP's Office of International Affairs stated: "We've realized that a lot of what we have in

place are U.S.-centric rules, and that our rules should instead be more global." [3]

The U.S. cargo security system has not been without its critics. In a March 2005 report, the Government Accountability Office (GAO), the investigative arm of the U.S. Congress, raised concerns about the lack of adequate standards for the process used by CBP to validate the security of C-TPAT participants and the lack of adequate personnel to run validations. [8] Early in 2005, a container of smuggled Chinese immigrants was accidentally discovered by port personnel at the Port of Los Angeles; the container had been shipped by NYK Lines, a C-TPAT participant. [9] The GAO also criticized CSI for insufficient overseas staffing and a lack of technical requirements for inspection equipment. As of September 2004, 4,013 (28 percent) of the containers referred by CSI staff to host country officials for inspection were not inspected overseas. [10] As former Coast Guard commander, Stephen Flynn, stated before the Senate Homeland Security and Governmental Affairs Committee in May 2005, "The voluntary nature of C-TPAT and CSI translates into it being a 'trust, but don't verify' system." [9]

Sources: [1] The WCO currently has 168 members, after the Kingdom of Tonga and El Salvador acceded to the organization in early July 2005. [2] World Customs Organization, *Framework of Standards to Secure and Facilitate Global Trade*, June 2005, <<http://www.wcoomd.org/ie/En/en.html>>. [3] Jennifer Jones, "A New Spin on Global Security," FCW.Com, August 29, 2005, <<http://www.few.com/article90467-08-29-05-Print>>. [4] Jacqueline Emigh, "Pending Security Policy May Unkink Global Supply Chain," *CIO Insight*, June 2, 2005, <<http://www.cioinsight.com>>. [5] "World Customs Organization to Approve New Guidelines for Trade Security," *Baltimore Sun*, June 24, 2005, <<http://www.securityinfowatch.com/>>. [6] John Frittelli, "Port and Maritime Security: Background and Issues for Congress," *Congressional Research Service Report to Congress*, December 5, 2003, <<http://www.fas.org/sgp/crs/homsec/RL31733.pdf>>. [7] "Remarks by Robert C. Bonner, Supply Chain Security in a New Business Environment, Miami, Florida," April 21, 2005, <http://www.customs.gov/xp/gov/newsroom/commissioner/speeches_statements/apr21_2005_miami.xml>. [8] "Cargo Security: Partnership Program Grants Importers Reduced Scrutiny with Limited Assurance of Improved Security," U.S. Government Accountability Office, Report GAO-05-404, March 2005, <<http://www.gao.gov/new.items/d05404.pdf>>. [9] Toby Eckert, "Customs Commissioner Says He's Improving Port Security," Copley News Service, May 26, 2005, <<http://www.signonsandiego.com/>>. [10] Richard Stana, "Homeland Security: Key Cargo Security Programs Can Be Improved," U.S. Government Accountability Office, Report GAO-05-466T, May 26, 2005, <<http://www.gao.gov/new.items/d05466t.pdf>>.

Singapore Hosts 17th Proliferation Security Initiative Exercise

Deep Sabre, the 17th exercise under the U.S.-led Proliferation Security Initiative (PSI), was held in the South China Sea from August 15 to 19, 2005. [1] Hosted by Singapore, this was the first PSI exercise to be held in Southeast Asia. Thirteen countries participated in Deep Sabre, including Australia, Canada, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand, Russia, Singapore, the United Kingdom, and the United States. Singapore also invited Brunei, Malaysia, Pakistan, and Vietnam to observe the exercise. [2]

Deep Sabre had two phases: sea exercises and port search exercises. The sea exercises were held about 160 kilometers northeast of Singapore in the South China Sea. Participating countries deployed their maritime and air units to find, identify, and catch a merchant ship (simulated by a Singaporean commercial vessel) suspected of carrying dual-use chemicals.[3] In the port search exercises held at Pasir Panjang port, Singapore deployed Singapore Customs; the Immigration and Checkpoints Authority; the Chemical, Biological, Radiological, and Explosive Defense Group; and other domestic agencies to simulate an inspection of a container suspected of carrying WMD-related items.[4] A total of six maritime patrol aircraft, ten ships, and 2,000 personnel were involved in the five-day exercise.[1]

Located on the Malacca Strait, the busiest shipping lane in the world, Singapore has been a vocal supporter of PSI since it first participated in the U.S.-led initiative's Operational Experts Meeting held in December 2003 in Washington DC. [5] About 18 million containers pass through Singapore every year, making it one of the busiest ports in the world.

Editor's Note: Overall, Asian participation in PSI activities has been mixed. Japan and Singapore were early participants, but other Asian countries have been slow to follow. Of the four Asian observers at Deep Saber, Malaysia had been the most publicly pessimistic about PSI. Malaysia previously rejected participating in PSI and questioned the legal basis for the initiative.[6] However, as is evident by their attendance of Deep Saber, Malaysian officials have more recently expressed interest in possible future participation in PSI exercises. The South Korean government has expressed support for the objectives of PSI, but remains reluctant to participate actively because of concern about North Korean reactions.[7] While China has voiced support for PSI's nonproliferation principles, Beijing has shown concern over the legal basis for the initiative and has so far refused to be directly involved with any PSI activities.[8] India has recently warmed to the idea of cooperating in PSI activities, although New Delhi still holds that the initiative needs to be "examined in greater detail." [9] Indonesia has remained openly skeptical of PSI and hostile toward any activities aimed at foreign involvement in securing the Malacca Strait. [10]

Sources: [1] Goh Chin Lian, "12-Nation Security Exercise on Here; First Such Exercise in SEA is Part of US-led Global Initiative to Contain Illegal Export of Weapons Technology," *Strait Times*, August 15, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] "PSI Members Stage Drill in S. China Sea to Halt WMD Proliferation," Kyodo News Service, August 17, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [3] "Exercise Deep Sabre 2005: Sea Exercise Phase," Ministry of Defense of Singapore, News Release, August 17, 2005, <<http://www.mindef.gov.sg/imindef/home.html>>. [4] "Exercise Deep Sabre Successfully Conducted," Ministry of Defense of Singapore, News Release, August 18, 2005, <<http://www.mindef.gov.sg/imindef/home.html>>. [5] "Factsheet – Singapore's Participation in the Proliferation Security Initiative (PSI)," Ministry of Defense of Singapore, News Release, January 11, 2004 (updated August 22, 2005), <<http://www.mindef.gov.sg/imindef/home.html>>. [6] "Asian States React to

Bush Nonproliferation Initiatives," *Asian Export Control Observer*, No. 1, April 2004, pp. 5-87, <http://www.cns.miis.edu/pubs/observer/asian/pdfs/aeco_0404.pdf>. [7] Daniel A. Pinkston, "Special Report: Interview with Song Young Wan, South Korea's Deputy Director-General for Disarmament," *Asian Export Control Observer*, No. 3, August/September 2004, pp. 19-22, <http://www.cns.miis.edu/pubs/observer/asian/pdfs/aeco_0404.pdf>. [8] "Russia Joins Proliferation Security Initiative," *Asian Export Control Observer*, No. 3, August/September 2004, pp. 13-14, <http://www.cns.miis.edu/pubs/observer/asian/pdfs/aeco_0404.pdf>. [9] "US Proposal on WMDs Needs to be 'Examined', Says Pranab," *Indian Express*, January 30, 2005; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [10] "Special Section: 2004 In Review: Export Controls and Nonproliferation in East Asia: Indonesia," *Asian Export Control Observer*, No. 5, December 2004/January 2005, pg. 7, <http://www.cns.miis.edu/pubs/observer/asian/pdfs/aeco_0404.pdf>.

Regional Round-Up

Australian Firm Unwittingly Sells Radio Equipment to al Qa'ida

According to a report by the Australian Broadcasting Company, an Australian communications technology company sold communications equipment to an al Qa'ida operative in May 2001. Codan Limited, based in Adelaide, Australia, sold more than A\$32,000-worth (approximately US\$24,000) of remote-area long-distance communications equipment to Mohamedou Slahi, an al Qa'ida operative suspected of having been a contact for the Hamburg, Germany, cell that helped carry out the September 11, 2001, attacks in the United States.

The equipment was exported to Mauritania in May, 2001 and may have been diverted to Afghanistan. Osama bin Laden reportedly used information transmitted over the Codan radio network to escape, narrowly, a missile strike in late 2001.[1] Codan's managing director Mike Heard stated: "We've never ever had what I would call first-hand knowledge that a customer or a potential customer was a terrorist [...] unless we were a specialist security organization it would be very hard for us to accurately form that view." [2] Australian Foreign Minister Alexander Downer defended Codan, stating that the company did not violate any export control regulations and clearly did not know who was purchasing the equipment. He did ask other Australian companies to learn from the incident and "be very careful who you're selling equipment to, particularly in parts of North Africa and the Middle East." [3] Sources: [1] Penelope Debelle, "Adelaide Equipment 'Saved bin Laden'," *The Age*, August 31, 2005, <<http://www.theage.com.au/news/national/adelaide-equipment-saved-bin-laden/2005/08/30/1125302570157.html>>. [2] David Weber, "Al Qaeda Connection Prompts Company to Tighten Protocols," *ABC NewsOnline* (Australia), August 30, 2005, <<http://www.abc.net.au/news/newsitems/200508/s1448892.htm>>. [3] "Codan's Sale to Terrorists a Lesson For All: Downer," *ABC NewsOnline* (Australia), August 30, 2005, <<http://www.abc.net.au/news/newsitems/200508/s1449432.htm>>.

China's State Council Releases White Paper

On September 1, 2005, in conjunction with the 60th anniversary of the end of World War II, China's State Council Information Office released a white paper on "China's Endeavors of Arms Control, Disarmament and Non-Proliferation." Section six of the white paper on export controls detailed Beijing's improvements in criminalizing and prosecuting unauthorized exports, publicizing export-control legislation, and encouraging self-regulation for businesses. This section also emphasized China's adoption of international export control practices—such as the use of end-user certification and "catch-all" controls. According to the white paper, the Chinese government's control list for nuclear items tallies completely with the lists for the Zangger Committee and the NSG and will be adjusted to correspond to changes adopted by both groups. The chemical and biological lists are "basically the same" as the Australia Group control list. The control list for missile-related items "conforms by and large" to the annex of the MTCR. The white paper also noted that Chinese officials have in the last few years had regular meetings with representatives of the Wassenaar Arrangement and the Australia Group.[1]

Editor's Note: China is a member of the nuclear Nonproliferation Treaty Exporters Committee (Zangger Committee) and the NSG, and is currently openly seeking membership in the MTCR. The mention of discussions with the Wassenaar Arrangement and Australia Group in this white paper represents the most detailed account from a government document about China's overtures to these two supplier regimes.

Sources:[1] Ministry of Foreign Affairs, "China's Endeavors for Arms Control, Disarmament and Non-Proliferation," White Paper, September 1, 2005, <<http://www.fmprc.gov.cn/eng/zxxx/t209613.htm>>; Zhang Yan, "Speech at the Press Conference of the State Council Information Office," September 1, 2005, <<http://www.fmprc.gov.cn/eng/zxxx/t209616.htm>>.

Philippines Joins Megaports Initiative

On July 19, 2005, the U.S. Department of Energy's National Nuclear Security Administration (NNSA) signed an agreement with the Philippine Department of Science and Technology to install radiation detection equipment at the Port of Manila under the Megaports Initiative. The U.S. Department of Energy has developed the detectors to support the Second Line of Defense Program. The program includes both the Megaports Initiative—targeting the world's largest ports—and the Core Program, which provides and maintains nuclear detection equipment in 22 countries. During the signing ceremony, U.S. chargé d'affaires to the Philippines, Joseph Mussomelli, stressed the importance of cooperation in securing the world shipping network. According to Mussomelli, "The United States and the Philippines both recognize the need to remain vigilant against the threat posed by the trafficking of nuclear and other radioactive materials through the global maritime shipping network." [1] The

Philippines is the second country in Southeast Asia after Singapore to join the Megaports Initiative.

Editor's Note: Also see "Singapore Joins Megaports Initiative," Asian Export Control Observer, February/March 2005,

<http://cns.miis.edu/pubs/observer/asian/pdfs/aeco_0502.pdf, p. 10>.

Source: [1] "Philippines to Install Equipment at Port to Detect Radioactive Material," *The Daily Tribune* (Manila), September 5, 2005, in FBIS SEP20050905000056; Philippine Nuclear Research Institute, "United States and Philippine Governments Launch Effort to Detect Terrorist Shipments of Nuclear Material," News Update, July 19, 2005, <http://www.pnri.dost.gov.ph/news_up.php?news_idno=PNRI-NEWS-20050722-22>.

New Jersey Company Sells Sensitive Items to China

Four naturalized U.S. citizens operating an electronics firm in southern New Jersey pleaded guilty to violating the Export Administration Act and the Arms Export Control Act by exporting sensitive items that could be used in weapons systems to entities controlled by the Chinese government. Between June 2002 and the closure of the business in July 2004, Xu Weibo, president of Manten Electronics, Inc., and three coworkers obtained restricted items, including monolithic microwave integrated circuits, and conspired to send them to the 20th Research Institute, also known as the Xi'an Research Institute of Navigation Technology, and the 41st Electronics Research Institute located in Bengbu in China's Anhui Province. Both entities are under the Chinese Ministry of Information Industry. The 20th Research Institute specializes in developing aircraft landing systems and military radio navigation technology, while the 41st Electronics Research Institute develops military amplifiers and testing devices for military instruments.[1]

The monolithic microwave integrated circuits exported by Manten are used in communications systems and weapons systems on U.S. bomber aircraft, fighter aircraft, military helicopters, and missiles.[2] The 20th Research Institute was placed on the Bureau of Export Administration—now Bureau of Industry and Security (BIS)—EAR Entity List in May 2001, requiring licenses from BIS for all exports to the institute to ensure that the goods exported will not make a material contribution to the proliferation of missiles.[3] The four defendants have agreed to forfeit the \$391,337 of revenue from the sales and are awaiting sentencing scheduled for February, 2006.

Sources: [1] U.S. Department of Justice, "Four Owners/Operators of New Jersey Company Admit Illegally Selling National-Security Sensitive Items to Chinese Interests," News Release, September 13, 2005, <http://www.bis.doc.gov/News/2005/DOJ9_14_05.htm>. [2] Jeffrey Gold, "Four Admit Illegal Sale of Electronics Gear to China," Associated Press, September 13, 2005, <<http://www.nynewsday.com/news/local/wire/newjersey/ny-bc-nj--weaponssales0913sep13,0,3759895.story?coll=ny-region-apnewjersey>>. [3] Department of Commerce Bureau of Export Administration, "Entity List:

Revisions and Additions," *Federal Register*, Vol. 66, No. 93, May 14, 2001, pp. 24264-24266, <<http://frwebgate.access.gpo.gov>>.

UAE and Pakistan Discuss Cooperation in Customs Affairs

On September 11, 2005, representatives from the UAE Federal Customs Authority (FCA) met with representatives from Pakistan's government to discuss a bilateral agreement to enhance customs cooperation. The 25-article draft agreement includes measures to improve cooperation in monitoring suspect persons and vessels, exchanging information, and tightening controls over the movement of weapons and nuclear materials.[1] On September 17, 2005, the FCA announced that it had also begun talks with Turkey to craft a draft customs cooperation agreement. In a press release preceding the talks, Mohammed bin Fahd Al Muhairi, FCA director general stated, "The blue print is set to stimulate mutual cooperation via customs outlets between the two countries in order to fight customs-related crimes" and to facilitate trade.[2]

Sources: [1] "UAE, Pakistan Discuss Draft Agreement on Cooperation in Customs Affairs," Emirates News Agency, WAM (Abu Dhabi), September 11, 2005; in FBIS Document GMP20050912316009. [2] "UAE, Turkey in Customs Cooperation Talks," Emirates News Agency, WAM (Abu Dhabi), September 17, 2005, <<http://www.khaleejtimes.com/>>.

Workshops and Conferences

Tajikistan and OPCW Host Third Regional Workshop on CWC Implementation

On August 29-31, 2005, the Government of Tajikistan and the OPCW organized the third regional workshop for National Authorities of States Parties in Central Asia in Dushanbe, the capital of Tajikistan, to discuss the implementation of the CWC.

The regional workshop gathered 34 participants from 15 OPCW member states, including Afghanistan, Azerbaijan, Bangladesh, Belarus, Georgia, Iran, Kazakhstan, Kyrgyzstan, Mongolia, the Netherlands, Oman, the Russian Federation, Tajikistan, the United States, and Uzbekistan.[1,2,3] The main purpose of the workshop was to assist the Central Asian members of the OPCW in finalizing their legislative and administrative procedures, in accordance with the "Plan of Action Regarding the Implementation of Article VII Obligations," which was adopted at the Conference of States Parties on October 24, 2003.[1,2,4,5]

The Plan of Action calls on each state party to the CWC to enact all necessary implementing legislation, including penal legislation, as well as administrative measures no later than the Tenth Session of the Conference of States Parties, scheduled for November 2005.[5] Member states must pass such legislation even if they do not possess chemical weapons.

According to the Tajik Deputy Industry Minister, Dzhabbor Rasulov, "Tajikistan has never had or produced chemical weapons, although local enterprises produce components that could be used to manufacture them." [3]

In order to facilitate the discussion, the workshop agenda was divided into the following thematic clusters:

- Legislative and administrative measures that must be taken in order to implement the CWC; the representatives of the National Authorities presented their scorecards showing the latest progress in developing, drafting, enacting, and enforcing relevant implementing legislation and privileges-and-immunities agreements; [*Editor's Note: In the context of CWC implementation, privileges-and-immunities agreements define the legal privileges and immunities of OPCW personnel on the territory of a state party. These agreements essentially allow OPCW personnel to carry out verification procedures, inspection visits, and other relevant measures in accordance with CWC provisions. Such agreements are further explained in the convention (see Article VIII: The Organization, Part E: Privileges and Immunities) as well as in the Annex on the Implementation and Verification (see: Part II. General Rules of Verification, Item B: Privileges and Immunities.)*]
- Administrative requirements for successful operation of the National Authority (the organization in each state party that implements the CWC);
- Identification of declarable industry sites and of transfers of scheduled chemicals and the submission of accurate declarations under Article VI of the convention; the representatives of the National Authorities shared their experiences in this area and highlighted practical problems with data collection and declarations.[1,2,4]

In the final part of the workshop, the format changed to a series of bilateral consultations between officials from the OPCW Technical Secretariat and representatives of the National Authorities. These consultations covered a wide array of topics, including the review of drafts of national implementing legislation and procedures for identifying declarable industry sites, controlling transfers of scheduled chemicals, and submitting the final declarations to the OPCW.[1,2]

Following the regional workshop, on September 1-2, 2005, the OPCW held a training course for officials from the National Authorities of Afghanistan and Tajikistan.[1,2] The training course was also held in Dushanbe and taught by instructors from the OPCW Technical Secretariat, assisted by representatives of the National Authorities of Belarus, Iran, the Netherlands, and the United States.[1,2] The topics addressed included a review of key criteria for the effective

functioning of national authorities, legislative drafting sessions, identification of declarable industry and trade activities, and hands-on exercises in filling out OPCW declaration forms. The training course also led to agreement on national follow-up action plans for Tajikistan and Afghanistan and their implementation in cooperation with the OPCW Technical Secretariat and interested states parties.[1,2]

Sources: [1] "Third Regional Workshop for National Authorities of Central Asia and Training Course for the National Authorities of Afghanistan and Tajikistan," *Chemical Disarmament Quarterly*, Vol. 3, No.3, September 2005, [official publication of the OPCW], <http://www.opcw.org/docs/publications/cdq_sep2005.pdf>. [2] "Third Regional Workshop for Central Asian National Authorities and a Training Course for the National Authorities of Afghanistan and Tajikistan Held in Dushanbe, Tajikistan," OPCW website, Press Release No. 40, September 2, 2005, <http://www.opcw.org/html/global/press_releases/2005/PR40_2005.html>. [3] "Seminar on Chemical Weapons Convention held in Tajikistan," RIA Novosti (Russian news and information agency), August 30, 2005, <<http://en.rian.ru/world/20050830/41255378.html>>. [4] "Third Regional Workshop for National Authorities of States Parties in Central Asia on the Practical Implementation of the Chemical Weapons Convention, Dushanbe, Tajikistan, August 29-31, 2005," International Cooperation and Assistance Division, Note by the Technical Secretariat S/497/2005, distributed to participants on July 14, 2005, <<http://www.opcw.org/docs/snotes/2005/s-497-2005r.pdf>>. [5] OPCW Conference of the States Parties, Eighth Session, October 20-24, 2003; Decision: Plan of Action Regarding the Implementation of Article VII Obligations, CS-2003-3683(E), distributed on November 4, 2003, <http://www.opcw.org/docs/c8dec16_EN.pdf>.



Special Report

Indian Companies Removed From Entity List, as Bush Administration Presses to Ease Restrictions on Civil Nuclear and Commercial Space Cooperation with New Delhi

By Stephanie Lieggi, Research Associate, Center for Nonproliferation Studies

On August 25, 2005, the U.S. Department of Commerce announced the elimination of several licensing restrictions for nuclear-related exports and reexports to India. According to this announcement, changes to the U.S. Export Administration Regulations would remove “export and reexport license requirements for items controlled unilaterally by the United States for nuclear nonproliferation reasons.” The announcement concluded that the “removal of export license requirements for these items is expected to reduce the number of license applications for exports and reexports to India.”[1] In the same announcement, the Department of Commerce removed six Indian entities from the United States government’s Entity List. The announcement also eased certain limitations on missile-relevant exports to New Delhi.

[Editor’s Note: Organizations and individuals on the Entity List have been identified by the U.S. Department of State as participating in proliferation-related activities, and therefore are subject to stricter licensing requirements for items controlled for nonproliferation reasons. The list, which is mandated by the U.S. Export Administration Regulations (EAR) and maintained by the U.S. Department of Commerce. The Entity List is publicly available at: <<http://www.access.gpo.gov/bis/ear/pdf/744spir.pdf>>.]

Transfers to India of commodities controlled by the Nuclear Suppliers Group (NSG), whose rules are incorporated into U.S. export controls, remain restricted. These commodities include (1) those “especially designed or prepared” for nuclear use, whose export to India is currently banned, and (2) dual-use items, whose export is restricted if the item is likely to be used to support a nuclear facility not under monitoring by the International Atomic Energy Agency or a nuclear explosives program. India also remains subject to export restrictions under the rules of the Missile Technology Control Regime, as incorporated in U.S. export control regulations.

A press release from the U.S. Embassy in New Delhi stated that the lifting of nuclear nonproliferation-related restrictions will likely “increase high-technology trade between the two countries.” In the same press release, U.S. ambassador to India David Mulford described the latest U.S. government action as “a tangible result that delivers on President Bush’s commitment [made during his July summit with Indian Prime Minister Manmohan Singh] to strengthen strategic and commercial relations between the United States and India.”[2]

Of the six Indian companies and organizations removed from the Entity List, three entities are under India’s Department of

Atomic Energy—namely the nuclear power stations at Tarapur, Rajasthan, and Kudankulam. The Tarapur Atomic Power Station (TAPS) was originally built in the 1960s in cooperation with U.S.-based General Electric Company.[3] The Rajasthan Atomic Power Station (RAPS), built in coordination with Canada in the 1970s, was the first pressurized heavy water reactor (PHWR) to operate in India.[4] Both of these facilities are under International Atomic Energy Agency (IAEA) safeguards. The Kudankulam station is currently under construction in cooperation with the Russian Federation and is scheduled to begin operations in 2007.[5] This plant is expected to be under IAEA safeguards.

The other three organizations removed from the Entity List are affiliated with the Indian Space Research Organization (ISRO), which manages the country’s space program. These three organizations are the ISRO Telemetry, Tracking and Command Network (ISTRAC), ISRO Inertial Systems Unit (IISU), and the Space Applications Center (SAC). Although these entities were removed, three others under ISRO remained on the Entity List—the Liquid Propulsion System Center, the Vikram Sarabhai Space Center, and the Satish Dhawan Space Center. According to the *Times of India*, since the United States had placed sanctions on ISRO and its subordinate entities in 1998, the space agency has turned to suppliers in Europe and Japan for needed technology.[6] *[Editor’s Note: ISRO and its subsidiary entities were a subject of U.S. concern because of their potential for contributing to India’s missile programs.]*

Export restrictions on nuclear-related goods bound for India were intensified after India’s detonation of a nuclear explosive device in 1974. According to the Nuclear Suppliers Group (NSG) website, the group was formed in response to the 1974 Indian test, “which demonstrated that nuclear technology transferred for peaceful purposes could be misused.”[7] In 1992, the group agreed to ban all civil nuclear commerce with states, like India, that are considered non-nuclear weapon states under the NPT but have not joined the treaty.

Most nuclear suppliers—including the United States, the EU, and Japan—further strengthened restrictions on trade with New Delhi after India’s nuclear tests in 1998. However, these added trade restrictions have been loosened considerably since the terrorist attacks of September 2001. In the past four years, New Delhi has been a partner in the U.S.-led “war on terror,” and the Bush administration has acted to improve strategic relations with India. In January 2004, Washington and New

Delhi began the “Next Steps in Strategic Partnership” initiative, which, among other goals, aims to expand cooperation in civil nuclear energy, civilian space programs, and high technology trade.

The warming of relations between the United States and India culminated in the landmark agreement reached during Indian Prime Minister Manmohan Singh’s visit to Washington in July 2005. As part of this pact, India agreed to “assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology.” New Delhi also pledged to declare all civilian facilities and to place them under IAEA safeguards; maintain its moratorium on nuclear testing; work with Washington on finalizing a multilateral Fissile Material Cut Off Treaty; refrain from transferring enrichment and reprocessing technologies (able to produce weapons-usable nuclear materials) to states that do not already have them; support international efforts to limit the spread of such technologies; and ensure that necessary steps have been taken to secure nuclear materials and technology through comprehensive export control legislation and “harmonization and adherence to Missile Technology Control Regime (MTCR) and NSG guidelines.”[8] *[Editor’s Note: Shortly before the summit, India passed legislation to strengthen its export control regulations. For more on these new measures, see “Illegal Nuclear Sale Blocked in India; New Delhi Passes New Export Control Legislation,” Asian Export Control Observer, Issue 7, April/May 2005, p. 2, <http://www.cns.miis.edu/pubs/observer/asian/pdfs/aeco_0504.pdf>.]*

Under the same joint statement, the Bush administration recognized “India’s strong commitment to preventing WMD proliferation,” noting “that as a responsible state with advanced nuclear technology, India should acquire the same benefits and advantages as other such states.” President Bush reportedly assured Prime Minister Singh “that he will work to achieve full civil nuclear energy cooperation with India.” In this regard, he stated that he would “seek agreement from Congress to adjust U.S. laws and policies, and [that] the United States [would] work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India.”[8]

A number of major nuclear supplier countries appeared willing to follow Washington’s lead in exempting India from the ban covering civilian nuclear trade, despite New Delhi’s status as a non-NPT state. On the sidelines of the September 7, 2005, EU-India summit, for example, the U.K. and India agreed to increase cooperation in the field of nuclear energy.[9] On September 12, 2005, French President Jacques Chirac also agreed to push for an exemption for India from the NSG requirement that civil nuclear trading partners be members of the NPT.[10] The Russian Federation, like the U.K. and France, also a member of the NSG, is currently

constructing two nuclear power reactors in India, which were contracted prior to the NSG’s adoption in 1992 of the nuclear trading ban with non-NPT countries. Moscow has indicated the desire to supply additional nuclear reactors to India and is therefore thought likely to support the loosening of NSG restrictions on such transfers. China, also an NSG member and historically an adversary of India, has recently been warming to its southern neighbor and has given no indication it opposes the Bush administration’s initiative. *[Editor’s Note: It is also possible that China may hope that a loosening of restrictions on nuclear transfers to India will allow China to expand its civil nuclear cooperation with Pakistan, which was initiated before China joined the NSG in 2004.]*

Other NSG members have expressed greater caution about the U.S. proposal, however. The German government and most political parties have shown little enthusiasm for the U.S.-India agreement, and support for loosening of nuclear export control restrictions on India seems unlikely in the near-term.[11] A Norwegian diplomat, asked about how a proposal to loosen restrictions on India might play out in the NSG, responded that, while Norway—the current chair of the NSG—had not yet detailed its position, it was understood that “this is a very complicated issue, a potential torpedo, for the whole [nuclear supplier] arrangement.”[12] Because the NSG makes decisions based on consensus of all members, it is unclear when, or if, U.S.-led initiatives regarding India will be approved.

The proposed opening of U.S. nuclear trade with India also requires amending current U.S. nonproliferation-related laws—in particular, the U.S. Atomic Energy Act and the Nuclear Nonproliferation Act, which do not allow for transfers of nuclear-specific items to non-NPT states. Therefore, the Bush administration needs support in both chambers of the U.S. Congress in order to solidify the agreements made with India.[13] Reports indicate that the nuclear deal came as a surprise to legislators and that the Bush administration had not conferred with Congress prior to signing the agreement with New Delhi.[14] Initial reactions from Capital Hill to the Bush administration’s plans were mixed, and the speed at which Congress will act to implement the Bush initiative remain uncertain.

Testifying on September 8, 2005, before the House Committee on International Relations, U.S. Under Secretary of State for Political Affairs Nicholas Burns said that the agreement would “progressively [integrate] India into the global nonproliferation order.” According to Burns “India has demonstrated a strong commitment to protecting fissile materials and nuclear technology more generally” and that “it is in both Indian and American interests that New Delhi’s isolation be brought to an end and that India be made part of a stable global nonproliferation order.” Burns continued that the U.S.-India civil nuclear agreement “contemplates both countries taking serious steps toward achieving the goal of

strengthening the international nonproliferation regime, while also meeting India's very real energy needs in a way that contributes to a clean global environment.”[15]

At the same hearing, Robert G. Joseph, Under Secretary for Arms Control and International Security, stressed the importance of the U.S.-India deal for long-term nonproliferation goals. According to Joseph: “By committing not to export enrichment and reprocessing technology to states that do not already have them, India [...] will help close what is widely recognized as the most significant loophole in the Nuclear Nonproliferation Treaty regime—a loophole that has been cynically manipulated by countries such as North Korea and Iran that have pursued the capability to produce fissile material under the guise of peaceful energy but for purposes of developing nuclear weapons.”[16]

A spokesperson for Senator John Cornyn of Texas, Republican chair of the Senate India Caucus, concurred with the Bush administration's view that the U.S.-India summit agreement was good for nuclear nonproliferation, stating that it was a “positive step forward and brings India into the mainstream of international nonproliferation efforts.”[17] Representative Tom Lantos, ranking Democrat on the House Committee on International Relations called the U.S.-India agreement “visionary” and believed it would “promote a greater dialogue between the U.S. and India on preventing the spread of sensitive nuclear technology and materials to other countries or even terrorist groups.”[18]

A number of politicians, however, have expressed reservations about moves to soften restrictions on India on the grounds that it would impair international efforts at preventing the spread of nuclear weapons. Representative Henry Hyde, Republican chair of the House International Relations Committee, pointed out at the September 8, 2005, hearing on the issue that “it's going to be very hard to get the Nuclear Suppliers Group to amend its guidelines to allow the kinds of nuclear transfers to India that [the Bush administration is] proposing. Nuclear Supply [sic] Group rules require unanimity within the group before any such amendment can be adopted, and it appears likely that a number of NSG members will resist doing this.”[19]

According to another Republican on the International Relations Committee, Edward Royce of California, “One of the ironies here is that once the NPT mores are compromised, it could open up efforts with states that [...] have a very poor record with respect to proliferation to petition for inclusion in the exemption,” further noting that Pakistan might begin pushing for exemptions as well.[19] A Congressional Research Service (CRS) report cautioned that: “Dissent within the NSG could be counterproductive to achieving other objectives the United States is pursuing in nuclear nonproliferation, for example, restricting the fuel cycle, disarming North Korea, and restraining Iran [...] U.S.-India

cooperation could prompt other suppliers, like China, to justify supplying other non-nuclear-weapon states, like Pakistan.”[20]

Editor's Note: The Bush administration's proposal to expand U.S. cooperation with India in commercial space activities has proved relatively uncontroversial, apparently because it will not include cooperation on launch technology, the area with the greatest potential to assist India's missile programs.

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