

EXPORT CONTROLS IN RUSSIA: POLICIES AND PRACTICES

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Since the early 1990s, export control problems have increasingly become one of the key issues in US-Russian relations and have frequently surfaced during bilateral dialogue between Russia and a number of other developed countries. Moreover, export controls are actively discussed at multilateral international forums in which Russia participates, such as the G-8. Beginning in the mid-1990s, issues related to export control violations have also appeared in the lists of domestic security concerns of the Russian political leadership.

It is important to remember that, after the breakup of the Soviet Union in late 1991, Russia had to establish a new export control system, involving legislation, licensing procedures, customs regulations, law enforcement, and interagency coordination. Partly under external (mostly US) pressure, but primarily trying to meet its own national interests, Russia has established and developed an impressive set of export control norms and regulations, to prevent the proliferation of weapons of mass destruction (WMD) and their means of delivery. Finally, in July 1999, a new Law on Export Controls was signed by President Yeltsin and entered into force, concluding the creation of a national legal system of export controls.

However, a combination of factors has led to an inevitable gap between the legislation and declaratory policy on the one hand, and the actual implementation of export controls on the other. In the transition from a command-and-control system to a market economy, the market has been understood by many as allowing the

freedom to make money regardless of laws and, in particular, to export without any limits. Within this context there are export pressures from a large nuclear, chemical, biological, and missile industry that traditionally focused on defense and has faced, in the 1990s, a profound crisis. A lack of will by the political leadership to enforce the legislation and to impose inter-agency coordination has compounded the problem, while other officials have been corrupted by criminalization of the society and of the economy (including the military-industrial sector). Weak enforcement of the law, shortages of technical equipment, and lack of a nonproliferation culture at most enterprises have also contributed to the gap between policy and practice.

This report first describes the policy positions and laws Russia has established on export controls. It then discusses how, and analyzes the reasons why, implementation has not matched declaratory policy. The report concludes by identifying some possible policy responses.

RUSSIAN DECLARATORY EXPORT CONTROL POLICY

Based on the study of many Russian political documents, I believe Russia's stated policy in the nonproliferation area lacks coherence. However, the Russian leadership generally proceeds from the assumption that Russia, as a nuclear weapon state, has a vital interest in contributing to a strong nuclear nonproliferation regime. Russia especially doesn't welcome the emergence of

new WMD states with modern long-range delivery systems, given the proximity of likely proliferators to Russia's borders.

On the one hand, a nuclear nonproliferation policy can be hardly called a Russian political priority. On the other hand, Russian politicians, military leaders, and diplomats strongly believe that circumvention of the international nuclear nonproliferation regime is dangerous for Russia. It will not only undermine Russia's prestige and cause more tension with the United States, but will also set free a dangerous genie. It will be more difficult to rebottle this genie, and one day it may hit Russia from the territory of Iran or North Korea. Russian thinking is influenced by a "China syndrome;" Soviet assistance to China in developing the A-bomb enabled the latter to accomplish this task 10-15 years earlier than would have been possible with a purely indigenous program.² As a result, Russia still has to bear in mind its Asian nuclear-weapon neighbor.

These calculations explain Russian participation in five out of the six major export control regimes (all but the Australia Group), in some of which it plays an extremely active role (in particular, the Missile Technology Control Regime [MTCR]). These factors similarly encouraged the process of establishing a national export control system in Russia from 1992-1996, and above all, the adoption of export control lists, which meet the strictest international requirements. These lists are issued and approved by the Russian president, giving Russian declaratory export control policy more weight.

Several recent statements affirm the Russian declaratory commitment to export controls. In May 1998, the G-8 meeting in Birmingham concluded with a joint communique put forward by Russia and the United States that included a paragraph in which the parties reaffirmed their commitment to promote realization of export control measures in compliance with the obligations provided for in the WMD nonproliferation regime. The export control issue was also a focus of the September 1998 Russian-US Moscow summit. The talks led to a joint document on security challenges, which included a pledge of cooperation in the field of export controls with an objective to secure WMD nonproliferation.³ And in March 1999, then-Prime Minister Yevgeni Primakov stated:

Russia observes all international norms relating to export controls and does everything necessary to exclude any leaks that would help

the proliferation of weapons of mass destruction. It has been and remains our policy.⁴

Russian agencies charged with enforcing export control laws also declare their commitment in strong terms. An example is the statement by the director of the Federal Security Service (FSB):

To the benefit of the national security of the Russian Federation and the compliance of the latter with its international commitments the Federal Security Service provides for permanent and purposeful control in the field of nonproliferation of WMD and their delivery means. These activities are aimed at preventing the illegal export of raw materials, equipment, technology, scientific technical information, and services that can be used to develop weapons of mass destruction or their delivery vehicles.

Violators of international control regimes must know that they will be severely punished in conformity with law enforcement procedures provided for in the international law and Russian legislation. Articles 188 and 189 of the Russian Criminal Code envisage a severe penalty for illegal export of technology, scientific technical information and services that can be used to develop the weapons of mass destruction and their delivery vehicles—from three to seven years of imprisonment. If this criminal act is committed on multiple counts or by a person using his office the punishment will be even stricter—from five to ten years of imprisonment.

None should doubt that the practical experience and traditions of our Service will ensure appropriate protection of Russian national interests and efficient supervision of commitments taken in the field of control over nonproliferation of WMD and their means of delivery.⁵

At the same time, Russian officials are seriously concerned about a US tendency to limit the bilateral nonproliferation agenda to export control issues. As a high-ranking Foreign Intelligence (SVR) officer has recently put it:

An attempt to equate nonproliferation policy with export controls ... may lead us to a dangerous labyrinth for the nonproliferation

policy. [...] On the one hand, confusion or substitution of terms in this sphere results in a distorted role of export controls in solving nonproliferation problems. On the other hand, it allows for arbitrary political games that focus merely on political aspects of technical and organizational problems of export controls. We [in Russia] see ... attempts to use export controls as the means of political pressure (of which Russia is the object) and of competition for world arms and high technology markets. That results in deliberate tensions in some situations, concerning real or alleged violations of international export control regimes. The fresh example is the history of Russian-US contradictions about cooperation with Iran.⁶

Given these suspicions that US pressure on export controls has ulterior motives, the Russian political leadership actually responded in a *soft* way to the imposition of sanctions on ten Russian organizations suspected of illegal contacts with Iran in February 1999, although most of the companies themselves refused to acknowledge publicly the violations of export controls.⁷

A similar situation arose in early April 1999, when the United States imposed sanctions against three Russian defense enterprises for cooperating with Syria. Russia's Foreign Ministry called the sanctions "an openly hostile move." According to the ministry, Russian supplies to Syria "do not violate the nonproliferation or export-control regimes," nor do they "upset the alignment of forces in the region" or "compare in terms of characteristics and volumes of US arms supplies to other regions." The ministry concluded that the sanctions are representative of "one more anti-Russian step taken by the US administration."⁸ *Izvestiya* argued that the US is driving Russia "into a corner" by restricting its room to maneuver in the Mediterranean region. The newspaper quoted Defense Minister Igor Sergeev, who called the US charges against the Tula machine-building design bureau, the Volsk mechanical plant, and the Central Research Institute of Precise Machine Building "groundless."⁹

Due to the persistent diplomatic efforts of some states, the United States in particular, the "Russian issue" in export controls has been taken out of the regular nonproliferation context and now constitutes a separate item on the international security agenda. Moreover, this is-

sue has become a global political problem, leaving some other, and no less significant, nonproliferation and arms control matters far in the background. For example, the United States and Russia have yet to develop a joint policy toward NPT PrepComs or the 2000 NPT Review Conference. During bilateral talks, exchanges on relatively minor export control topics—which are not always fruitful—have been substituted on the agenda for such issues as how to make progress on meeting the Principles and Objectives decided upon at the 1995 NPT Review and Extension Conference.

Russian diplomats and politicians perceive the Western criticism on export controls as malicious (and practically of good old Marxist origin). Some believe that the United States and other Western powers plan to oust Russia from flourishing markets (India, Iran), and hence, to kill a business rival with a political weapon.¹⁰ This point of view is tempting in its simplicity, and it approaches the truth, though still falling short by quite a bit.

Among the political and military elites as well as among export-oriented ministries and state-owned companies, there are people who question why Russia accepts these rules of the game. Some of them insist that Russian export policy should "copy the United States" and go beyond purely economic motives to advance a number of foreign policy missions. Along this line of reasoning, the primary task would be to preserve or to revive Russia's influence in vacuum zones such as Iraq, Iran, Syria, North Korea, Sudan, and Cuba by transferring sensitive materials and technology specified by international trigger lists. This reasoning could account for Russia's relationship with India and China as a means to complicate the US foreign policy environment. This influential minority, tries, though mostly unsuccessfully, to get Russia to use nonproliferation to pursue its "Cold Peace" confrontation with the United States.¹¹ Overall, then, the majority remains supportive of export controls as a nonproliferation tool, but is also suspicious of US motives for emphasizing that issue.

RISKS OF PROLIFERATION FROM RUSSIAN SENSITIVE EXPORTS

We should recognize that some states continue to seek Russian materials and technology that can be used to create WMD or their delivery systems. We can also presume that the international criminal community and terrorist groups are interested in exploiting flaws in

Russia's export control system in order to acquire sensitive materials and technology.

For the most part, the problem is not fissile material export control violations. The problem of illicit export of fissile materials does endure, but it should be qualified as "very high risk, very low probability." The export of missile components remains more significant, but should be categorized as "very high probability, relatively low risk." As an FSB official has mentioned, "we count the cases of [such export control] violations in the dozens."¹²

Materials should not be the primary concern anyway. The threat of unauthorized export of dual-use technology (particularly, biotechnology that can be used in development of biological weapons¹³), scientific knowledge, and bearers of this knowledge (scientists and engineers¹⁴) should be considered much more grave. According to a Russian foreign intelligence officer:

When we touch upon this problem we should bear in mind that it is common for all developed countries, and it goes beyond the classical export control regime. It's noteworthy that the issue of *intangible* transfer of technology was the focus of discussion at the recent meeting of the NSG. The United States and Japan seem to have some experience in solving the problem, but it hasn't been completely solved yet. What should we do, bearing in mind new serious challenges concerning *intangible* drain of scientific technical information and results of scientific research? This is an urgent matter. [...] No one knows what to do in these circumstances, particularly taking into account our difficult financial situation."¹⁵

The countries that display the greatest interest in Russian sensitive materials and technology are China, Iran, Iraq, India, North Korea, Syria, and South Korea. Russia's relationship with each of these states varies.

China is a nuclear weapon state (NWS), and therefore, its construction of a centrifuge plant for uranium enrichment raises no concerns about the violation of the nonproliferation regime. At the same time, leakage of some Russian dual-use technology to China would be a serious blow to Russian national security and to the international system of export control on the whole.

As to contacts with Iraq, Russia has imposed an embargo on the shipment of sensitive materials to this coun-

try. That said, we have already witnessed serious Iraqi initiatives to gain access to Russian missile equipment components,¹⁶ corresponding technology, and perhaps biotechnology.

In my opinion, the building of the Russian nuclear power station in Bushehr (Iran) does not violate export control regulations.¹⁷ On the contrary, it meets the requirements of Article IV of the NPT, which calls for assisting the development of peaceful nuclear technologies. At the same time, Iran's striving to acquire Russian missile technology to develop its ambitious missile program has become a serious problem in recent years.¹⁸

Russian cooperation with India in the nuclear field is dubious from the legal standpoint, and it runs counter to the practice of strengthening the nonproliferation regime, for India is not an NPT signatory. One issue is the nuclear power station construction in Kudamkulam. A second issue is Russia's intention to supply India with nuclear-powered submarines (although this is not an illegal breach of international commitments or Russian national legislation). According to Dmitry Litovkin, the "informal" part of Russian-Indian cooperation in development of the Indian nuclear submarine fleet is significant:

The Indian nuclear-powered attack submarine has about a 4,000-ton displacement and a single-shaft nuclear power plant of Indian origin. India bought from Canada the license for production of nuclear reactors, and it can reportedly be used for manufacturing nuclear power plants for submarines. Apparently, the rest of the submarine characteristics will be similar to the 670 series, which allows one to predict the specifications of the weapons systems to be used. If we assume that India has so far no indigenous anti-ship cruise missiles and that the submarine is being built with the participation of a Russian design office as a consultant, all major weapons systems may be of Russian origin. [...] Nuclear-powered submarines being built at Indian shipyards allegedly resemble by their body outlines the Russian fourth-generation submarine, the Severodvinsk-model by the Rubin design office in St. Petersburg. This vessel is being constructed for the Russian Navy at the Severny machine-building plant in Severodvinsk.¹⁹

A new and increasingly serious problem is the leakage of Russian dual-use technology to US and Japanese companies, thus giving certain economic competitors access to proprietary Russian technology.²⁰ This is why, for instance, beginning in July 1998, Russian blacklists have included, besides companies from Pakistan, Iran, and North Korea, such US companies as Devon Industries, AAT Communications (NY), and Airsystems Aviation Corporation.²¹

Finally, the active involvement of “rogue state” secret services stands as a serious problem, for they possess sophisticated methods of procuring secret technology and materials from defense industries and usually share this technology. For example, North Korea consults Pakistan, and the latter assists Iran.²²

MEASURES TO IMPROVE CONTROL OVER SENSITIVE EXPORTS

In 1997-1998, Russian governmental officials drafted a plan for improving export controls. The signing of a government resolution implementing a catch-all export control policy would initiate the process. Then, the government would produce a manual on the organization of the internal compliance program so as to improve the information on export controls at hundreds of enterprises throughout Russia. Next, adopting a law on export controls would complete the legal basis of controls and consolidate all the existing regulations. Amending the Criminal Code would then provide for stricter punishment and eliminate loopholes for the violators of export control regime. Finally, on the basis of the adopted law, administrative and law enforcement measures would be taken against individuals and corporations suspected of circumventing export control regulations, hopefully leading to one or two successful prosecutions of export control laws violators, widely covered in the press and electronic media.²³ As I will now describe, this plan has mostly been implemented.

Attempts to provide a legal basis for Russian export controls date back to 1992. So far it consists of about 25 documents, and it seems to be well thought-out and well tuned. Some legal acts adopted in 1998 made it generally complete from the point of secondary legislation. To finish this process, the Russian State Duma (lower house of parliament) adopted the primary legislation, i.e. the Federal Law “On Export Controls,” which was subsequently adopted by the Federation Council (upper

house of parliament) in June 1999 and then signed by President Yeltsin. The law entered into force in July.

Russia’s latest actions in dealing with export controls result from internal consensus on the importance of strengthening the export control system, though to a certain extent, they were precipitated by external factors, above all by US pressure. As the head of the Foreign Policy Department of the Security Council of Russia has stated:

Even the slightest breach of agreements in this field (either authorized or not by the Russian government—it doesn’t matter for the US) are fraught with multibillion ruble losses and aggravate the economic crisis for decades. We shouldn’t forget that any contract or deal of a Russian enterprise or institute becomes immediately known to its foreign partner and concerned agencies of other foreign states. To put it mildly, the failure of Russian corporations to provide the government with sufficient information results in tangible political and economic costs for the authorities.²⁴

Prior to creating the new Federal law, in its attempt to improve export control mechanisms, the Russian government has recently passed three other measures:

- Resolution No. 57 of January 22, 1998, “On the Improvement of Controls over the Export of Dual-Use Goods and Services Related to Weapons of Mass Destruction and Missile Delivery Vehicles.” Its main point is that all Russian foreign traders (both private and state-owned) shall refrain from any export deals with dual-use goods and services, currently not subject to Russian legal acts in the field of export controls, if they know that these goods and services can be used to develop weapons of mass destruction or their missile delivery vehicles. The government introduced a system of comprehensive control (referred to as “catch-all” in Western countries), enabling it to consider any issue that does not formally fall under the restrictions of export control regimes but relates to dual-use technology.
- On May 12, 1998, in the course of implementing Resolution No. 57, the government released its “Manual on Establishing the Internal System of Export Control in the Company.” The manual aims to give organizational and methodological assistance to Russian enterprises and companies participating in the international exchange of goods and services, in

order to elaborate and introduce internal compliance programs in Russian enterprises of the military-industrial complex.

- On May 14, 1998, President Yeltsin signed Decree No. 556, "On Legal Protection of the Results of Scientific Research and Technological Works for Military, Specialized and Dual-Use Purpose," which declared all aforesaid results in the defense sphere to be state-owned intellectual property.

The key document for national export controls is now the Law "On Export Controls." It should be of interest, therefore, to further examine its adoption by the Russian legislature, in order to better understand where export controls rank on the list of Russian policymakers' priorities.

The government submitted the Bill "On Export Controls" to the State Duma for consideration on July 24, 1998 (the Duma's recess had started on July 20). In November 1998, the Committee on Economic Policy, which was the main committee on this bill, submitted it to the Council of the Duma for the first reading. The Council decided to give the bill priority and to consider it at the plenary session during the first reading on December 16. Following one of the most constructive discussions to that point on the bill, the major conclusion was to pass the bill.²⁵ As Deputy Chairman of the Economic Policy Committee Svetlana Gvozdeva said, "legislators are mostly in favor of the bill. We understand the importance of the problem."²⁶ At the same time, there were several significant critiques of the draft.²⁷ Taking into account the seriousness of these remarks, the government paused and withdrew the bill from further consideration. The Duma finally adopted the law, with no real debate and with some changes mutually agreed between the President's Office, relevant government bureaus, and the Duma, on June 22, 1999.

The key elements of the Russian export controls established by this Law are:

- For the first time, a definition of "export controls" has been established and approved. This definition covers materials, information, works, services, and results of intellectual activities that may be used for WMD production, means of their delivery, and other types of arms and military equipment;²⁸
- The Law declares the goals of export controls as (1) protection of Russian Federation interests, (2) compliance with international treaties signed by Russia in

the area of nonproliferation and export controls, and (3) creation of conditions for integrating the Russian economy into the world economy (article 4);

- The export controls lists are signed by the president (as was already the case). For the first time, it is declared that these lists should be developed with the joint participation of parliamentarians, industrialists, and research institutes;
- The Law pays special attention to controlling the export of intellectual products, technology, and dual-use materials;
- Sanctions against companies and individuals that violate the export control rules are introduced;
- The Law calls for harmonization of Russian export control lists and procedures with internationally recognized norms;
- Transparency of information on export controls and easy access to it are declared as a "principle of state policy of export controls;"
- The Law establishes an Interagency Organ (Commission) on Export Controls and a federal agency on export and currency control;²⁹
- Establishment of an internal compliance program at Russian companies involved in production or R&D in the defense area and having regular export operations is declared as obligatory. State licensing of companies with established internal compliance programs is introduced;
- The Law establishes a detailed plan of action against companies suspected of violating the export controls legislation, including financial auditing, any necessary checks of documentation, etc.;
- A catch-all principle is established for the first time in primary Russian legislation (article 20); and,
- The exporter is recognized as responsible for the accurate declaration of the identity of goods or technology exported and must not make false or incomplete statements at customs.

Although it is clearly an important step forward, the Law on Export Controls should not be viewed as a critical success. The road to prevent export control violations is too long in Russia to expect that improvements will bring fruits overnight or even in a few months. As many Russian experts and governmental officers recognize, the new legislation is a positive step but it is also itself an export-oriented product, which has mostly been prepared and adopted to please the West.

The question of whether the law will work or will be only a piece of paper is not an easy one. On the one hand, even some US diplomats who have traditionally been critical of Russian export controls have recognized (although not publicly) that in 1999, regardless of three changes of government (Primakov to Stepashin to Putin), in a short period of time considerable success has been achieved by Russia in improving export control practices; the work of Russian-US working groups on export controls has been particularly mentioned as an "unexpected success."³⁰ On the other hand, a number of existing internal problems, which, practically speaking, cannot be solved in a short period of time but only in years, make any optimistic forecast premature.

MAJOR INTERNAL PROBLEMS

Russian law and declaratory policy have created the basis for a comprehensive export control system. However, several domestic and regional problems are creating a gap between policies on paper and actual practices in this area. The problems include weak political leadership, poor inter-agency coordination, government corruption and penetration by export interests, financial and technical problems, lack of an export control culture, weak punishment of violations, and loopholes created by regional factors.

Lack of Political Will

Despite the interest in improving export controls, all Russian structures in charge of export control decisionmaking are struggling for survival. Greater leadership is needed, but it remains uncertain where it will come from.

Former Prime Minister Primakov, now a candidate for president, could play a leading part in conducting export control policy in the framework of Russian non-proliferation policy. Some indicators show that we could expect substantive measures or statements from him.³¹ However, Primakov does not presently hold a position of authority in this area.

The new Russian prime minister, Vladimir Putin, is known from his previous jobs, both with the President's Surveillance Department and with the FSB, as a person seriously concerned about export control violations. As secretary of the Security Council, he discussed these issues with his US counterparts. However, he will hardly turn to nonproliferation issues in the near future due to

his deep involvement in economic and domestic policy matters.

At the moment, most top- and medium-ranking officials are busy choosing sides for the upcoming presidential election. Under these circumstances, there is little possibility for decisive and deliberate long-term measures in such a delicate field as export controls. The situation is aggravated by constant staff reshuffles in the upper tiers of power, especially in the President's Office and in the Security Council. This results in a situation where any high-ranking official who has managed to take a serious approach to export control problems has been either dismissed or replaced.³²

At present, First Vice Prime Minister Victor Khristenko heads *Exportcontrol*— an interagency body tasked to improve, coordinate, and implement export control policy. However, he too is not ready to bear the export control burden; Khristenko has an obsession with economic policy, the most painful and difficult-to-solve matter.

At the same time, the Security Council is trying to take the lead in the whole issue. A number of recent statements by Council officials demonstrate its increasing role in export control policy implementation. As an example, in June 1999, the Security Council decided that Russia should be against any enhancement of transparency measures within the Wassenaar Arrangement on conventional arms exports, which was publicly explained as "a consequence of the Balkans events."³³ A greater Security Council role would thus not necessarily produce the political will to advance export controls. In sum, there is no politically powerful actor at present pushing to put the new law fully into practice.

Lack of Inter-Agency Coordination

At first sight it may seem that the Russian export control system has too many organs for coordination. First, there is the governmental Export Control Commission. It consists of the deputy heads of the Ministry of Foreign Affairs, the Ministry of Economy, the Ministry of Defense, the Ministry of Industry and Trade, the State Customs Committee, the FSB, the State Committee on Nuclear and Radiation Safety of the Russian president, and the Russian Academy of Sciences. The Commission's responsibility includes examining whether contracts and agreements comply with Russian international commitments, and licensing in some

cases. The Commission has the right to make inquiries and to request information and documents from exporters and state authorities in order to verify contract fulfillment if a contract deals with sensitive exports. The Commission also reviews international treaty drafts for that purpose.

The second organ of the Russian export control system is the Security Council of the Russian Federation. In compliance with President Yeltsin's instructions to the secretary of the Security Council to coordinate activities aimed at improving the export control system, the Security Council staff has taken the following measures:

- On May 15, 1998, the military-industrial enterprises were given a blacklist of end-users considered to pose proliferation risks. Interaction with blacklisted entities requires prior approval from the concerned authorities in charge of control over sensitive technology exports.
- On May 20, 1998, a number of governmental bodies (the Ministry of Atomic Energy, the Ministry of Economy, the Ministry of Industry and Trade, the Russian Space Agency, the Ministry of Science and Technology, etc.) received a supplementary list of foreign companies prepared by the Federal Security Service. The list includes the firms suspected of possible involvement in the development of WMD and their delivery vehicles.³⁴
- On May 29, 1998, the secretary of the Security Council set up an inter-agency working commission on the problems of WMD nonproliferation. The commission is still active and meets regularly.³⁵ In one of its most recent sessions, in June 1999, the commission analyzed ways to cooperate with the United States to improve Russian internal compliance programs for nuclear and aerospace companies.³⁶
- A number of meetings were held with the heads of ministries and agencies concerned to work out a coherent approach to the problems of establishing an export control system. At the meeting on February 11, 1999, it was stated that Russian authorities "should act more resolutely to establish order in this field in Russia."³⁷ It was decided that the Russian Prosecutor's General Office should participate in these efforts. However, very soon the Russian General Prosecutor became a victim of a sex scandal initiated for political reasons by the President's Office, and his office has since become paralyzed.

The problem is not the existence of or efficiency of structures to govern inter-agency coordination. The real need is to provide effective coordination and to suppress separate actions on sensitive exports taken by various departments, above all by the export-oriented ministries (the Ministry of Atomic Energy, the Russian Aviation and Space Agency, and the Ministry of Economics).

No less important is coordination among the special services engaged in security activities such as the Federal Security Service (FSB), the Foreign Intelligence Service (SVR), the State Customs Committee (GTK), the Federal Agency for Governmental Communications and Information (FAPSI), the Ministry of Interior (MVD), the Prosecutor's General Office, and the Chief Military Prosecutor's Office. Their current interaction seems, in fact, inexcusably sluggish. Inefficient and infrequent communication mars the exchange of information that is vital to security activities.

The most striking feature is reluctance and inertia within the Russian Foreign Ministry on export control issues. Sometimes its representatives use their responsibility for Russian participation in international export control regimes to avoid coordinated inter-agency activities geared toward streamlining the export control system. At the same time, it is the Ministry of Foreign Affairs that must face Western criticism regarding the Russian export control system. We have to admit that the Russian Foreign Ministry often resembles a frightened ostrich, hiding its head in the sand.

GOVERNMENT CORRUPTION AND LOBBYING BY EXPORTERS

The deepening financial crisis and simultaneous degradation of the political regime have spawned a large number of corrupted governmental officials. Many companies (chiefly, state-owned companies) are able to profit from this corruption, finding support for or a blind eye towards actions to supply sensitive materials and technology not only to international proliferation rogues but also to developed economies.

As a member of the Export Control Commission reports:

[While] the experience of world developed economies shows that a high level of voluntary law-abidance of exporters is essential for efficient functioning of export control system,

Russian exporters have another motivation—they are more interested in maximum profit in the shortest period of time without due understanding of consequences that may result from illegal commercial activities. It's astonishing! What's more if we don't solve this problem soon we'll have to deal with shocking violations. Very often they are deliberate and delicate methods and are used to conceal criminal activity.³⁸

Not only Russian enterprises, but also potential foreign recipients of exports can successfully lobby Russian government officials. Indian, Chinese, and, to a lesser degree, Syrian so-called lobbying entities have penetrated the decisionmaking bodies in the export control system.

The campaign against corruption, launched in Spring 1999 by then-Prime Minister Primakov, coincided with his other campaign to make Russian oligarchs follow the law. This became one of the reasons for his dismissal later in May. Thus, Russia continues to build an oligarchic form of wild capitalism, in which whole ministries are closely associated with certain companies in pursuing their short-term economic interests and ignoring long-term Russian national interests.³⁹

Financial and Technical Problems

Funding for export control activities doesn't require excessive financial means, and it is usually not a problem for a state. But in Russia's deep financial crisis, there is chronic under-financing for programs to bolster the technical resources of export control authorities. Moreover, Russia's vast territory requires not only quality but also quantity improvements of export control technical means.

At present the key task is to equip export control services with computers and to create appropriate databases and local networks to provide for information exchanges. Another problematic task is arming the customs authorities with technical equipment to enable them to prevent the smuggling of nuclear, chemical, and biological weapons materials.

According to my estimates, the problem of export control violation through illegal transfer of equipment remains the most serious. I have elsewhere described in detail the mechanism of illicit export of missile components from Russia to Iraq. To summarize, a Russian de-

fense and conversion enterprise known as NIIKhSM and located in Sergiev Posad (Moscow region) founded a dummy company (SPM-Sistema) in 1994 and signed a contract with an Iraqi representative, Wi'am Gharbiya. The deal concerned the shipment of strategic gyroscopes—a key element of guidance systems for Iraqi missiles and much desired by the Saddam Hussein regime. To deal with the custom problems, the partners chose a Nigerian-led firm, Nisov Plc, incorporated in Moscow. It succeeded in passing all customs barriers (calling the commodity some kind of "electronic equipment"), and the gyroscopes successfully left Moscow Sheremetyevo-2 airport and arrived in Amman, Jordan.⁴⁰

Numerous schemes have been developed to circumvent customs control. It's not a secret that the easiest and least risky way is to bribe customs officials.⁴¹

In 1997-1998, Russia attempted to supply its major customs posts (Sheremetyevo-1, Pulkovo, Astrakhan Sea Port,⁴² etc.) with modern equipment. These activities mainly follow the framework of the Nunn-Lugar Program. The GTK wishes to join this framework in order to receive US money for the general installation of advanced equipment, mostly of Russian origin. Currently, the basis for this cooperation is the protocol of intentions of June 18, 1998, between the GTK and the DOE. It is expected that later in 1999 the protocol will be transferred into a full-scope agreement on the development of the second line of defense (i.e., border controls) in Russia.⁴³ In May 1999, a GTK delegation gave a presentation in the US Senate to demonstrate the importance of improving equipment for customs points in Russia to reduce smuggling risks, mostly in the area of nuclear radioactive materials.

In the next few months, significant upgrades should be implemented in the Russian Northwest region, North Caucasus region, and the Far East. At the same time, if US assistance is not intensified, it will take at least five to seven years to solve purely technical problems. This will be a time of dangerous opportunity for export control violations on Russian territory and for smuggling technology relating to nuclear, chemical, and biological weapons and their delivery vehicles.

The problem of equipment selection is complicated by the above-mentioned problem of lobbying. In this case, various departments and agencies lobby for equipment supplied by firms that are close to it. For instance, the GTK and the Ministry of Atomic Energy (Minatom) have an on-going rivalry.

Finally, the customs officials in charge of preventing WMD smuggling admit that organized criminal groups and large state-owned companies can evade customs regulations if necessary. In this case, preventing illegal export becomes possible only when a group or company leaks information about a rival.⁴⁴ It should be pointed out that the majority of export control violations in Russia have been revealed due to information leakage and not by technical means.

Establishing an Internal Compliance Program and Promoting Export Control Culture

Military-industrial enterprises, especially in missile production and the aerospace industry, remain the weakest point in the export control system. Economically troubled and without any certain prospects for the future, they must seize any opportunity to earn money “in the way of foreign trade activities,” as it is called officially.

It is striking how easy it was for the Iraqis in 1993-1994 to clear the way for exports from such enterprises as NPO Energomash, Almaz, and Mars Rotor.⁴⁵ The same applies to the Iranian firm Sanam, which easily managed to establish contacts with a number of Russian enterprises.⁴⁶ This becomes more understandable, however, if we take into account the words of the deputy director on foreign trade activity of one of the largest defense industry enterprises: “Yes, there are moments when we are ready to sell our work even to devil, for the financial situation is that bad. It’s needless even to say this about fine-looking and decent people who represent some Middle East countries.”⁴⁷

To illustrate, the director of an advanced Russian military-industrial enterprise once came up to the head of a high-ranking Chinese delegation and gave him a file with documents, saying, “Look at our proposals and just let us know if you find anything of interest to you.” All this happened in the presence of the Export Control Commission chairman. As it turned out later in the course of an internal investigation, the above-mentioned top manager did not make an inventory of these strictly confidential documents handed over to the Chinese. It didn’t occur to him that he could undermine Russian security interests by transferring scientific technical data.⁴⁸

This and many other cases show once again that at many enterprises, the level of export control culture is still in its infancy; it is practically embryonic.

Today, the enterprises are generally supplied with information and documents, including control lists, methodological guides, and blacklists. It takes time, though, to awaken the interests of enterprises in this area. In this connection, training personnel of the enterprises engaged in sensitive export can bear invaluable fruit. It’s a positive trend that this training has already started at some enterprises. It would be naïve, nonetheless, to expect this training to be universal and comprehensive, or at least to cover the majority of enterprises.

Toughening Punishment for Export Control Violations

The Russian judicial and law enforcement system remains unable to inject even the slightest vitality into the articles of the Criminal Code that deal with export control violations. While Germany and the United States, for example, demonstrate a serious attitude towards violations of their national legislation and international obligations regarding illegal exports of goods and technology from control lists, Russia seems to treat criminal indictment in such cases as excessive.

The Criminal Code, in its Article 355, calls for severely punishing those who attempt to produce, acquire, or sell chemical or biological weapons, with a stiff penalty of up to 10 years of imprisonment. Articles 220 and 221 introduce an equally severe punishment for illegal handling of radioactive materials, or their theft or extortion. Finally, Article 189 mandates up to seven years of imprisonment for “illegal export of technology, scientific and technical information, and services used in developing weapons of mass destruction, armaments, and military hardware.”

Thus, in general the Criminal Code adequately provides severe punishment for anyone assisting WMD proliferation, with proper regard to the realities of the recent years. At the same time, delivery systems were simply *omitted* from the new Code, although they were present in the old one (Article 78). One can only hope that the omission was unintentional, due to the sloppiness of the Code developers, and later to the deputies who approved it in May 1996. In the Iraqi “gyroscope case,” such sloppiness let the perpetrators off the hook; the agents selling gyroscopes did not provide any technical manuals to the Iraqis, so Article 189, under which the case should have gone to court, was not applicable.

At the same time, it seems the investigation of the “gyroscope case” was not credible. Part II of the Article directly provides for imprisonment for up to seven years “for transfer across the RF [Russian Federation] customs border ... of materials and equipment that can be used in developing WMD, and which are subject to special regulation on the transfer across the RF customs border ... if the violation is committed ... with fraudulent use of documents or customs identification, or achieved through ... false declaration.” This in fact took place in August 1995, when gyroscopes were exported under a false label.⁴⁹

Russian officials recognize that Russia desperately needs a general system of collection, registration, and analysis of the facts and violations known to law enforcement agencies. Without this information system, Russia will confront many difficulties in understanding major trends in the circumvention process.⁵⁰

The system of sanctions used against violators of export control regulations now has three stages. The first infringement results in an official warning, the second one in a considerable fine, and the third one in administrative or criminal prosecution.⁵¹

It is expected that the Law on Export Controls can assist law enforcement in investigations and in prosecutions of violators of the export control regime. In Chapter 6, it describes what constitutes a violation of export control legislation (article 30),⁵² and what penalties apply to the heads of companies, enterprises, and ministries for violation of the regime (article 31).⁵³ Significantly, the Law establishes that if a company, with its violation of export controls legislation, has “significantly damaged” Russian political and economic interests, defense, or security, it may lose its license for any external economic operations for up to three years (article 32).⁵⁴ It is remarkable that this article was added to the draft of the bill before the second reading, as a result of active debate among parliamentarians, governmental agencies, and non-governmental organizations.

Regional Border Controls

Besides direct transfers, there is also a significant possibility for transfer of Russian sensitive materials to threshold countries via the territory of third states. The most probable route involves states that have practically no boundary controls with Russia. For instance, the frontiers within the Customs Union,⁵⁵ comprising Russia,

Byelorussia, Kazakhstan,⁵⁶ Kyrgyzstan, and Tajikistan, are open and cannot impair transportation of any suspicious cargoes.

It is known that a portion of exported Russian weapons is shipped to developing countries, especially those afflicted by internal conflict, via Kazakhstan and Uzbekistan.⁵⁷ For many years, organized criminal groups have actively used aerodromes in the vacuum zones of war-torn Tajikistan to transport drugs.⁵⁸ Hence, we can presume that similar routes may be used to transfer radioactive materials and other sensitive items, such as missile equipment in particular.

In this situation, it should concern all relevant parties that there is little effective exchange of information on the matter between the member states of the Customs Union. Bilateral exchange of information here may become more efficient than a multilateral one. A positive change was a June 1999 meeting of the Collegium of the Customs Union of Russia and Byelorussia, where a special agenda point was devoted to joint efforts to prevent transborder illicit trafficking of nuclear and radioactive materials.⁵⁹

A somewhat different challenge is the risk that local autonomy will cause the Russian export control system to have regional variation. Some regions, such as Tartarstan, make attempts to be practically independent in export control decisionmaking.⁶⁰ If this happens, these regions will be able to give privileges to their own enterprises, and there will be black holes in the form of “offshore” zones, which will provide for the outflow of Russian money, sensitive materials, and technology.

CONCLUSIONS

A Russian export control system and national export control regime presently exists. Russia now has a full-scope legal basis to regulate export control issues. The Federal Law “On Export Controls” adopted in June 1999 by the Russian Parliament and signed by the president in July logically completed the process of creating such a legal basis.

Thus, the most alarming matter is not the legal basis for or declaratory intent of the Russian export control policy, but its practical implementation. If we take into consideration the many problems connected to implementation, which are aggravated by the deepening financial-economic crisis in Russia, it would be naive or irresponsible to say that current legal documents can by

themselves prevent the illegal transfer of goods and technology from Russia. Moreover, the foremost problems are leaks of knowledge and brain drain.

However, it is possible to improve implementation. In particular, it is necessary to establish in Russia a multi-phase system of punishment for export control violations as soon as possible. The sequence, warnings-fines-administrative sanctions-criminal prosecution, declared by the Law on Export Controls must be put into practice. The Prosecutor's General Office and its subordinate units should conduct appropriate investigations, and make their results known to the public.

Moreover, bringing practical export control policy into conformity with national legislation would enable Russia to accomplish its foreign policy tasks. It is abnormal when export control issues become the only item on a bilateral agenda during negotiations, either Russian-American or Russian-Israeli, etc. Russia would benefit from efforts to change its current status as a "mischievous student."

At the moment, any major Russian role in improving the international export control regime is unlikely, mostly because Russian authorities seem incapable of playing an aggressive role in launching a discussion on an update of the regime. Some Western states also appear interested in putting pressure on Russia by playing the export controls card.⁶¹ However, there is still a chance that Russian diplomats may actively participate in reconstructing this regime and perhaps be able to initiate some aspects of this re-shaping. Working to make export controls more effective both domestically and internationally would contribute directly to Russian national security while removing a contentious issue from its diplomatic relations with other key countries.

¹ The work on this report was made possible thanks to the support of the US Institute of Peace.

² Roland Timerbaev, "How the Soviet Union Helped China Develop the A-Bomb," *Yaderny Kontrol*, No. 3 (May-June 1998), p. 79.

³ Ob Obshikh Vyzovakh Bezopasnosti na Rubezhe XXI Veka (A joint statement of the Russian and US Presidents), Press release of the Press Service of the President of the Russian Federation, September 2, 1998, p. 2.

⁴ "Russia, Israel Vow to Cooperate in Curbing Weapons," *Los Angeles Times*, March 23, 1999, p. 4.

⁵ Statement by the FSB director, "On the issue of control over nonproliferation of WMD and their delivery vehicles," Press Release by the FSB Public Relations Service, May 6, 1998, pp. 1-2.

⁶ *Voprosy Bezopasnosti*. No. 51, April 1999, pp. 9-10.

⁷ See statement by a scientist at the NII Polyus, which is subject to the US sanctions: Yuri Snegirev, "Pochtovy Yashik iz spiska Klintona (A Closed Enterprise from Clinton's List)," *Izvestiya*, August 20, 1998, p. 4. The article has a very symptomatic lead: "The United States hates competitors in a market of unique technology."

⁸ Interfax, April 4, 1999.

⁹ *Izvestia*, April 6, 1999, p. 1.

¹⁰ Victor Mikhailov. "Uchet I Kontrol Yadernykh Materialov: Vzgl'yad Glavy Minatoma (Accounting and Control of Nuclear Materials: Views of Minatom's Head)," *Yaderny Kontrol*, No. 2 (February 1995), pp. 10-11.

¹¹ A part of this "new rivalry" is the leakage of information on export control violations, by both sides, to the media. Americans started by providing the media with confidential information on Russian companies linked to Iranian missile imports. Russians replied by publishing information on the US-based company, Final Analyses, suspected of transferring missile technology to Iran. This information was first reported by the head of the Russian FSB to FBI Director Louis Freeh during his visit to Moscow, but later offered to the media: Olga Semyonova, "Taktika dvoynykh standartov (Double-standard tactics)," *Nezavisimoye Voennoye Obozreniye*, No. 32 (August 28 - September 3, 1998), p. 6.

¹² Alexander Zdanovich, "V obkhod zakona raketami ne torguem (We do not sell missiles in violation of the law)," *Rossiyskaya Gazeta*, July 1, 1998, p. 8.

¹³ For instance, on Iran's attempts to approach Russian biologists, see *Kommersant-Daily*, January 26, 1999; Judith Miller, "Iranians, Bioweapons in Mind, Lure Needy Ex-Soviet Scientists," *New York Times*, December 8, 1998.

¹⁴ David Hoffmann, "Idled Arms Experts in Russia Pose Threat," *Washington Post*, December 28, 1998, p. A1; Aleksandra Perevedyentseva, "Utechka umov iz yadernoy fiziki (Brain Drain in Nuclear Physics)," *Kommersant-Daily*, July 25, 1998, p. 9.

¹⁵ As Gen. Gennady Yevstafiev, of the Russian SVR, stated in *Voprosy Bezopasnosti*, No. 51 (April 1999).

¹⁶ For details of the case and analysis of the Russian regulations on the embargo against Iraq, see Vladimir Orlov and Anna Otkina, "Lessons of the Gyroscope Deal," *Yaderny Kontrol*, No. 1 (January-February 1998).

¹⁷ According to some Russian experts, Iran is not ready for active development of a nuclear defense program. It could be capable of creating a nuclear weapon in 15 to 20 years, should Iranian leaders choose to do so. Itar-Tass, November 25, 1998.

¹⁸ Ivan Safranchuk, "Russian-Iranian Cooperation and Export Controls," *PIR Study Papers*, No. 8 (November 1998).

¹⁹ Dmitry Litovkin, "Indian Nuclear Submarine Development Program: Russian Participation," *Yaderny Kontrol Digest* 10 (Spring 1999), p. 50; "Deli strout atomnyu submarinu (New Delhi Constructs a Nuclear Submarine)," *Krasnaya Zvezda*, July 15, 1998, p. 3; Sergei Golotyuk and Yuri Golotyuk, "Yadernoye sotrudnichestvo Moskvyy I Deli (Nuclear Cooperation between Moscow and New Delhi)," *Russki Telegraph*, July 1, 1998, p. 1.

²⁰ Alexey Rey, "Sensitive Exports and Export Controls in Russia," *PIR Study Papers*, No. 9, December 1998, pp. 15-20.

²¹ Semyonova, "Taktika dvoynykh standartov," p. 6.

²² *Voprosy Bezopasnosti*, No. 51 (April 1999).

²³ Interview by author, January 1999.

²⁴ Nikolai Uspensky, "Exportny Kontrol - Odin iz Klyuchevykh Elementov Natsionalnoy Bezopasnosti (Export Controls as a Key Element of National Security)," *Yaderny Kontrol*, No. 3 (June-July 1999), pp. 7-8.

²⁵ This is proved by the results of voting after the first reading: only 4 against and 363 for the bill. At the same time, attention should be paid to the high presence of deputies during this debate (normally no more than 300 deputies attend the session).

²⁶ Tape Recording of "Export Controls: Legislation and Practice," PIR Center Conference, February 25, 1999.

²⁷ The first group of critical comments related to a mechanism for implementing export controls and the role of the legislature in this mechanism. Article 2 of the bill states that the law regulates the relationship among state bodies. A question surfaced immediately: "What exactly are these authorities and state bodies?" The bill envisaged a decisionmaking procedure where it would be the government's responsibility to define dual-use technology, and the list would then be approved by the Presidential Decree. "Where is the parliament, then?" asked the deputies, "How can we be sure that a decision, taken by one person, won't lead to negative consequences for the national security and economy given current conditions in Russia? It may block the very idea of export controls or pave the way for the drain of some information."

It was not clear from the first draft what agencies would be in charge of export control regulations in the government. The question was: "What are these agencies and departments?" It may be the Federal Service on Export and Currency Control, or it may be shared with a special export control agency. And then what will be the chain of command for this agency, and how will it determine its relationship with the government, the president, and the parliament? It is clearly important to solve this problem since, according to the bill, the aforesaid agency enjoys broad powers, including the power to issue legal acts.

The second group of issues clearly demonstrated the sentiments of those deputies who find themselves under strong and ever-increasing pressure from financial and industrial groups and their lobbyists. They are concerned with the law's potential ability to impede Russia's high-tech exports. Deputy Yazev ("Our Home is Russia" faction) stressed the necessity to include a subtler procedure for licensing: to introduce not only one-time licenses but general licenses as well, which would give larger enterprises broad powers in dealing with exported dual-use production.

The third group of issues was of a political nature. Communist Party representative Albert Makashov argued that the law had been the result of an US conspiracy engineered to disrupt economic and political ties between Russia and American foes such as Iran, Iraq, and Syria. It is noteworthy that this belief didn't get support even from the most radical anti-American wing of the Duma.

²⁸ At the same time, the president, in his letter to the Duma with comments on the draft bill, insisted that controls over export of conventional arms and military equipment should be regulated by another federal law—"On military-technical cooperation"—already entered into force. This amendment was included into the final text of article 2.

²⁹ It is expected that this is no more than a legitimization of the currently existing Export Controls Commission within the government and the Federal Service on Currency and Export Controls within the government.

³⁰ Interview by author, name withheld by request, September 1999.

³¹ It is necessary to stress the fact of his meeting with the representatives of the World Jewish Congress in March 1999, where he was resolute about the necessity to strengthen export controls.

³² Examples include Yuri Baturin (President's National Security Assistant, Secretary of the Defense Council); Sergei Yastrzhembsky (Presidential Aide and Press Secretary); Yakov Urinson (Vice Prime Minister and Chairman of the governmental Export Control Commission); Andrei Kokoshin (Secretary of the Security Council); Nikolai Boryuzha (Head of the President's Office and Secretary of the Security Council).

³³ Statement of the Press Service of the Russian Security Council, June 23, 1999.

³⁴ Nikolai Uspensky, "Export Controls as a Key Element," p. 8.

³⁵ Interview with Alexander Zarubin, of the National Security Council, July 1999.

³⁶ Press service of the Russian Security Council, June 22, 1999.

³⁷ Press Release of the Security Council of the Russian Federation, February 12, 1999, p. 1.

³⁸ *Voprosy Bezopasnosti*, No. 51, April 1999.

³⁹ Vladimir Orlov, "Chto Vygodno Minatomu..." *Pro et Contra* (Summer 1997), pp. 33-54.

⁴⁰ Vladimir Orlov and Anna Otkina, "Lessons of the Gyroscope Deal," *Yaderny Kontrol*, No. 1 (January-February 1998).

⁴¹ The Iraqis followed this way, smuggling from Russia the samples of gyroscopes in late 1993.

⁴² On the establishing of the *Yantar* system in Astrakhan, see: "Radiatsiya ne proydet," *Krasnaya Zvezda*, March 20, 1999, p. 3.

⁴³ O sostoyanii sotrudnichestva mezhdyy GTK Rossii i Ministerstvom Energetiki SshA v osushchestvlenii programmy "Vtoraya liniya sashity" (On Cooperation between the State Customs Committee of Russian Federation and the US department of Energy in Implementation of the "Second Line of Defense Program"), State Customs Committee of the Russian Federation, June 1999.

⁴⁴ Author's interview with Department Chief of the State Customs Committee Nikolai Kravchenko, June 1996.

⁴⁵ Vladimir Orlov and William C. Potter, "The Mystery of the Sunken Gyros," *Bulletin of the Atomic Scientists* 54 (November-December 1998), pp. 35-36.

⁴⁶ For details see: Ivan Safranchuk, "Iran's Nuclear and Missile Programs and Russia's Security," *Yaderny Kontrol Digest*, No. 10, Spring 1999.

⁴⁷ Interview by author, name withheld by request, November 1998.

⁴⁸ Former Russian senior governmental official (name withheld by request), interview by author, December 1998.

⁴⁹ Vladimir Orlov, "Russia, Iran, Iraq, and Export Controls," *The Monitor* 4 (Spring-Summer 1998).

⁵⁰ Tape Recording of "Export Controls: Legislation and Practice," PIR Center Conference, February 25, 1999.

⁵¹ *Ibid.*

⁵² "Law on Export Controls," Russian State Duma, p. 27.

⁵³ *Ibid.*

⁵⁴ *Ibid.*, p. 28.

⁵⁵ On the development of and regulation within the Customs Union, see Valeri Draganov, "Integratsiya v tamozhennom dele (Integration in the Customs Issues)," *Nezavisimaya Gazeta*, November 24, 1998, p. 5.

⁵⁶ The *Krasnaya Zvezda* (October 16, 1998, p. 8) recognized that "7,667 km of the border are with no control," and that the few inspections made in 1997 helped prevent illicit transfer of 183 tons of valuable metals and 545 kg of drugs. In July 1999, the Russian government issued a resolution on solving this issue on the Russian-Kazakhstani border. Some improvements within the CIS, however, have already been taking place. Thus, in July 1999, Kazakh customs officers detained suspects of Russian origin with radioactive materials on the Kazakhstani-Uzbek border.

⁵⁷ The media gave full coverage to an incident involving a *Ruslan* cargo aircraft detained in Baku in April 1999. It was reportedly transporting Russian military aircraft to Slovakia or to North Korea while the plane itself and the cargo officially belonged to Kazakhstan. See Interfax, March 24, 1999.

⁵⁸ *Moscow News Confidential*, February 1993, p. 14.

⁵⁹ *Izvestia*, June 15, 1999, p. 1.

⁶⁰ Records of the State Duma of the Federal Assembly of the Russian Federation, December 16, 1998.

⁶¹ I agree with Sergey Kondaurov, who concludes that "the current situation demonstrates absence of equal partnership between Russia and the US" in export controls. While Russia made a number of concessions, particularly related to its contacts and cooperation with Iran, the United States has not responded adequately, being primarily—if not only—concerned about its own leadership in the international export controls regime. Sergey Kondaurov, "Wassenaar Arrangements and Problems of Export Controls of Conventional Arms, Goods, and Technology," unpublished manuscript, p. 22.