

FSC.NGO/2/11
25 January 2011

ENGLISH only



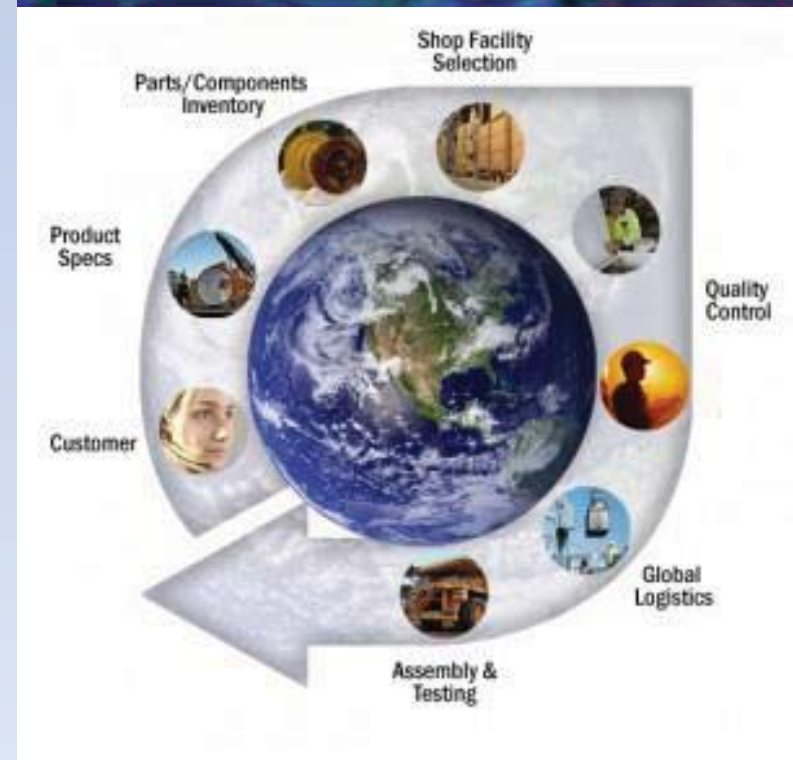
Industry's Evolving Role in Nonproliferation Export Controls: A Practitioner's View



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January 27, 2011

1996-2009: Silicon Valley & Export Control

- Globalization of supply chain
- Rapid economic growth in Asia
- Corporate Social Responsibility
- Gradual liberalization of export controls on encryption, computers
- Increase in focus on export controls related to WMD nonproliferation:
 - End-use/r targeted controls
 - Expansion of “catch-all” controls



Increasing Focus on WMD Nonproliferation: *How Was Industry Informed?*

U.S. Bureau of Industry and Security

- Federal Register Updates
- Basic & Special Topic Seminars
- Export Control Forum
- Annual Update Conferences



Increasing Focus on WMD Nonproliferation: *How Was Industry Informed?*

Non-governmental Actors

- Consultants
- Law Firms
- Organizations: Professional/Nonprofit
- Media: High-Profile Violation Cases



Increasing Focus on WMD Nonproliferation: *How Was Industry Informed?*

Other Companies

..via

- Exporter's Need for Product Classification (ECCN) Data
- End-Use / End-User Checks & Certifications
- Letters of Assurance
- Purchasing Agreements
- Shipping Documentation
- Industry Events



Increasing Focus on WMD Nonproliferation: *How Was Industry Informed?*

Other Companies: Globalization as a Benefit for Export Control?

Typical Export Transaction circa 1996

Supplier/Manufacturer/Exporter:

US



Customer/Importer/End User:

Japan



Increasing Focus on WMD Nonproliferation: *How Was Industry Informed?*

Other Companies: Globalization as a Benefit for Export Control?

Typical Export Transaction circa 2006

Supplier:	US	
Manufacturer:	Taiwan	
Export Point:	South Korea	
Customer:	Japan	
Importer/End User:	China	

Increasing Focus on WMD Nonproliferation: *Industry's Response*

- Inclusion of “Catch-All” Language in Key Corporate Documents
 - ✓ *Purchasing Agreements*
 - ✓ *Shipping Documentation*

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3. Designing, assisting in the design of, constructing, fabricating, furnishing, or modifying equipment for the fabrication of chemical or biological weapons, chemical precursors, viruses, viroids, bacteria, fungi, or protozoa”

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Increasing Focus on WMD Nonproliferation: Industry's Response

- Incorporation of Export Control into Corporate Social Responsibility (CSR) Programs

From 2008 SAS Corporate Social Responsibility Report

“SAS maintains an export management system with:

- product licensing and screening processes*
- customer and supplier screening practices and systems”*

From 2009 Toshiba Corporate Social Responsibility Website

“Toshiba Group...aims to comply with all applicable export control laws and regulations of the countries and regions where it operates. The Group also maintains a basic policy of not engaging in any transaction that could potentially undermine international peace and security.” (underscore added for emphasis)

Industry's Evolving Role in Nonproliferation Export Control

Outcome + Opportunities...

Industry's potential relationship with 1540 implementation?

- Industry – an active facilitator of nonproliferation awareness
- Outreach to industry is not limited to governmental channels
 - Consultants, law firms, professional organizations
 - Company-to-company communication
- Ongoing company-to-company outreach – a foundation for 1540 implementation assistance?