

Statement
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Before the
Senate Governmental Affairs Committee
Wassenaar Arrangement and the Future of Multilateral Export Controls

The Department of State appreciates this opportunity to discuss the Wassenaar Arrangement and the future of multilateral export controls. I am encouraged by Congressional interest in this important subject, and look forward to working closely with the Committee on this and other multilateral export control issues. I would like to begin my testimony by describing the Wassenaar Arrangement, then discussing Wassenaar's strengths and weaknesses.

It is important to note at the outset that Wassenaar is not, and cannot be, COCOM. COCOM had a clearly defined, mutually agreed strategic threat, and addressed that threat by embargoing exports of arms and sensitive dual use items to proscribed destinations. The world has changed for the better. The targets of COCOM now are members of Wassenaar, as well as trading partners, friends, and in some cases treaty allies.

Our former COCOM partners recognized that responsible national export controls and policies remained indispensable to promote international peace and security in the post-Cold War environment, even though they opposed, and continue to oppose, any COCOM-like control regime not directly related to weapons of mass destruction (WMD) and their delivery systems. Despite this broad agreement, it was only through persistent and strong U.S. leadership that COCOM members, eventually with participation by Russia, designed a new multilateral export control regime to address the new challenges posed by regional instability and states whose behavior threatened international security.

That new regime is the Wassenaar Arrangement (WA) -- the first global, multilateral arrangement covering both conventional weapons and sensitive dual-use goods and technologies. It was negotiated and established in the mid-1990s at the same time that COCOM was disbanded, when it became apparent that the Cold War's East-West export controls no longer were appropriate. However, Iraq's buildup of arms before the Gulf War demonstrated the need for some form of global export regime. The Wassenaar Arrangement received final approval by 33 co-founding countries in July 1996, and began operations in September 1996.

The WA is designed to prevent destabilizing accumulations of arms and dual-use goods and technologies. The Arrangement encourages transparency, responsibility, consultation and, where appropriate, national policies of restraint. In doing so, the WA fosters accountability in transfers of arms and dual use goods and technologies. The Arrangement also provides a venue in which governments can consider collectively the implications of various transfers on their international and regional security interests. It also seeks to enhance cooperation to prevent dangerous transfers.

WA members maintain export controls on items covered by the Wassenaar Munitions and Dual Use lists. These lists regularly are reviewed by experts of the Participating States and revised as needed. However, the decision to transfer or deny any controlled item remains the responsibility of individual member states. There are not, as there were in COCOM, case-by-case prior reviews of proposed exports to proscribed destinations, or vetoes on proposed exports. To facilitate meeting the WA's principal objective of preventing destabilizing accumulations, members report on their decisions to transfer or deny to non-members certain classes of weapons and dual-use technologies. Again unlike COCOM, Wassenaar members are not constrained to honor each other's denials, but consultations are encouraged in such cases.

In order to enhance transparency in arms transfers, Wassenaar members report semiannually on their deliveries to non-members of seven weapons categories derived from the UN Register of Conventional Arms. These categories are Battle Tanks, Armored Combat Vehicles, Large Calibre Artillery Systems, Combat Aircraft, Attack Helicopters, Warships, and Missiles and Missile Launchers.

In order to promote transparency and like-mindedness, Wassenaar members also report on their transfers to non-members of dual use goods. The Wassenaar List of Dual Use Goods and Technologies consists of a Basic List of controlled items, on which members semiannually report aggregated license denials. The Basic List is subdivided into a Sensitive List of technologies on which members report individual denials of licenses within 30-60 days. In addition to these individual denials, members also report semiannually aggregated numbers of licenses issued or transfers made. Finally, the Sensitive List is further subdivided into a Very Sensitive List, consisting of technology subject to extreme vigilance in national licensing decisions.

Although no country is an explicit target of the WA, members are committed to dealing firmly with states whose behavior is a cause for serious concern. There is broad agreement that these states presently are Iran, Iraq, Libya and North Korea. Wassenaar members deal with these "countries of concern" by preventing, through shared national policies of restraint, their

acquisition of armaments and sensitive dual use goods and technologies for military end-use.

Wassenaar provides for the first time a global mechanism for controlling transfers of conventional armaments, and a forum in which governments can examine and debate the implications of various transfers on their international and regional security interests. It also calls attention to potentially destabilizing accumulations of weapons, and to situations that may call for concerted actions.

The United States works actively within this unique forum to advance our national interests. Wassenaar has addressed such topics as the conflict in Sudan, North Korea's weapons production programs, Iran's conventional arms procurement objectives, arms flows to areas of conflict in Africa, and the situation in Kosovo. At the December 1996 Plenary meeting, members issued a public statement confirming that they do not transfer arms or ammunition to Afghanistan. In 1997, members reiterated the need to exercise maximum restraint when considering licenses for the export of sensitive items to destinations where the risks are judged greatest. This statement was refined in 1998 to include regions in conflict. In 1999 members discussed Small Arms/Light Weapons and the possibility of developing common export guidelines for man-portable Surface-to-Air missiles (MANPADS). They agreed to a modest increase in arms transparency, and reaffirmed their policies of "maximum restraint" regarding arms exports to areas of conflict.

Wassenaar is more than just a forum for discussion. The United States has helped establish and maintain Wassenaar's control lists, has benefited from sharing data on arms and technology transfers, and has gained insight into the policies and positions of other members. It has also served to promote and reinforce strong norms of responsible export behavior, which over time has encouraged restraint.

As head of the U.S. delegation to the 1999 Wassenaar Plenary meeting, I am well aware that the Arrangement falls short of U.S. goals in some important areas. We would like to see more transparency in both arms and dual use transfers, more targeted information sharing, more discussion of common problems and possible solutions, as well as some form of a no-undercut provision for dual use denials. We would like to get agreement on guidelines for MANPADS transfers, controls on brokering, and possibly an arms transfer code of conduct.

These are ambitious, but attainable, goals. I observed at the Plenary that national views increasingly are converging around the ideas of responsibility, transparency and accountability. This is a noteworthy achievement after just four

years. Nonetheless, significant national differences remain, both in substance and procedure, that will require patient persuasion and diplomacy to resolve.

The Future of Wassenaar

As you prepare for your upcoming travel to Europe, I would recommend looking to the future, rather than the past. Wassenaar is a product of the post-Cold War period, and faces a dramatically different security environment than institutions developed during that period.

In the new global economy we must lead by example. I believe we have made solid steps in this direction, and that a consensus is emerging among Wassenaar partners that reflects their commitment to responsible transfers. This commitment already is implemented in the national policies of Wassenaar partners, and ultimately is what unites us. The most effective way to achieve U.S objectives is to continue to act collectively to assess the risks, and to coordinate policies.

The Wassenaar Arrangement provides a unique venue for the evaluation, coordination and cooperation that can yield a safer, more peaceful international environment. We will continue to make a concerted effort in this forum to foster greater like-mindedness as we examine sensitive transfers, assess the risks, and determine appropriate responses at the national level.