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UNITED STATES COMMISSION ON
SECURITY AND COOPERATION IN EUROPE

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Mr. Chairman, members of the Commission, thank you for inviting me to appear before the Helsinki Commission to discuss the progress of OSCE member states in preventing the spread of weapons of mass destruction. OSCE member states have taken on special commitments to act together toward the goal of nonproliferation, and their compliance in this regard is of utmost importance to global security.

OSCE Commitments

A variety of useful OSCE statements and efforts of the Helsinki Commission can be highlighted that advance positive nonproliferation policies and efforts.

In 1992, members reiterated their commitment to the “prevention of the proliferation of weapons of mass destruction and the control of missile technology” in the Prague Declaration on Non-Proliferation and Arms Transfers.

In 1994 in Budapest, the OSCE resolved to promote and strengthen multilateral regimes such as the BWC, the CWC, the NPT and the IAEA, and affirmed “their commitment to prevent the proliferation of nuclear weapons; to prevent the acquisition, development, production, stockpiling, and use of chemical and biological weapons; to control the transfer of missiles capable of delivering weapons of mass destruction and their components and technology.”

And the 2002 Porto Charter on Preventing and Combating Terrorism reaffirmed the importance of arms control, disarmament and non-proliferation and noted member states’ contribution to reducing the risk of terrorists gaining access to weapons and materials of mass destruction and their means of delivery.

As encouraging as these declarations are, they are worth no more than the paper they are printed on if member states do not take the commitments spelled out within them seriously. And in this respect, I must report that the record is mixed. There have been some notable success stories – countries that, with U.S. assistance, have improved their export control systems. On the other hand, there have been instances of OSCE member states aiding rogue states in acquiring sensitive or dual-use materials that can be used toward nefarious ends.

Strengthening Export Controls

The United States’ primary vehicle for export control assistance efforts, which has made significant progress toward meeting nonproliferation objectives for many of the OSCE participating States, is the State Department’s Export Control and Related Border Security Assistance (EXBS) Program. The EXBS program was created to help address the proliferation concerns primarily in the former Soviet states and neighboring countries in Central Europe. But in light of the global nature of the proliferation threat, we have expanded the program to include potential WMD source countries in South Asia and key transit/transshipment countries in Europe, Asia, and the Middle East.

We currently have active programs in 29 OSCE countries, each of which is covered by one of the 20 EXBS program advisors

serving overseas at U.S. Embassies. In a number of countries, officials trained by the EXBS program or using EXBS program-provided equipment have seized sensitive goods or weapons components bound for programs of concern. U.S. export control assistance is largely responsible for over a dozen European and Eurasian countries adopting comprehensive export control laws that meet international standards. I should also mention that the Department of Defense has its Congressionally-mandated International Counterproliferation Program (ICP), which is coordinated with EXBS and focuses on counterproliferation training and equipment provision in the Former Soviet Union, Eastern and Central Europe, and the Baltics.

Although the EXBS program has produced many successes, a number of OSCE countries still need additional assistance to develop appropriate legal frameworks and increase enforcement capabilities to combat the transfers of sensitive goods and technologies. Among them:

Russia, Ukraine, and Kazakhstan have retained significant WMD materials and expertise from the Soviet era. The EXBS program continues to work with these countries to enhance enforcement capabilities and promote industry compliance with national laws.

Countries in Central Asia and the Caucasus are high-risk transit and smuggling routes from source countries. We continue to work with them to build effective legal control and enhance border control capabilities.

Certain Mediterranean countries handle a significant volume of transshipment trade that has not historically been subject to effective control.

The Balkan states are main transit routes from the countries of the former Soviet Union to Europe, and recent arms transfers have highlighted the critical need to strengthen their export control policies and procedures.

In a more narrow context, we have specific concerns about the proliferation of man-portable air defense systems (MANPADS) and have initiated a worldwide effort to dramatically reduce the risk of MANPADS falling into the hands of terrorists. This initiative was first presented to the G-8 and members of the Wassenaar Arrangement in January 2003. During the June 1-2 G-8 Summit all Partners agreed to: provide assistance and technical expertise for the destruction of excess MANPADS; adopt stringent national export controls on MANPADS and their essential components; ban transfers to non-state actors; exchange information on uncooperative countries and entities; and examine for new MANPADS the feasibility of adding specific technical performance or launch control features that preclude their unauthorized use. We have also presented this initiative at the ASEAN regional forum in March 2003. The OSCE offers a forum to bring the MANPADS initiative agreed by the G-8 Partners to all 55 OSCE countries.

Curbing Illicit Transfers

Notwithstanding those efforts, and the efforts of like-minded governments, serious problems remain and threatening transfers continue to occur. Mr. Chairman, as you know well, there is going to be relatively little I can say here in an unclassified setting about individual transfers.

Of the 55 states participating in the OSCE, only a small number have been the source of the vast majority of the transfers we are talking about. And of that number, there are some with which we have made important progress. And some where progress has been seriously disappointing.

Progress is particularly evident in many parts of Eastern Europe. Since early 2001, coordinated diplomacy, information-sharing, and assistance to strengthen border security and export control mechanisms have led to significant strides in interdicting or preventing weapons transfers from Eastern Europe and the Balkans to Iraq and other rogue states. Our efforts with Albania, the Baltics, Bosnia, Bulgaria, Croatia, the Czech Republic, Poland, Romania, Serbia and Montenegro, Slovenia, and Slovakia have developed into effective partnerships, buttressed by cooperation from traditional allies such as the UK, Canada, Spain, Germany and Italy.

Serbia and Montenegro offers a specific case of very recent and concrete progress. As has been reported publicly, there is clear evidence that the Orao aviation firm, in cooperation with the firm Yugoimport, was involved in arms transfers and sensitive assistance to Iraq. Under sustained diplomatic pressure following the disclosures, Belgrade has agreed to cooperate fully and transparently in examining military links between Yugoslav defense-industrial entities and Iraq (and also with other countries of concern). The Government of Serbia and Montenegro dismissed the director of Yugoimport and a deputy Minister of Defense in October 2002. U.S. experts visited Belgrade in late 2002 to confer on nonproliferation and export controls.

Belgrade also has appointed a high-level commission to review current laws regulating arms sales, explore converting military industrial production to peaceful uses, and scrutinize Serbia and Montenegro's military cooperation with other countries. We will continue to work with the government in Belgrade to assist in its implementation of these laws and help it abide by its commitments.

In the case of Russia, I personally have engaged senior officials in order to convince its government of the need to play a responsible role in solving nonproliferation problems. Russia is showing growing recognition of the seriousness of our concerns – particularly regarding Iran's developing nuclear capability. But we do remain concerned that the nuclear and missile programs of Iran, and others, continue to receive the benefits of Russian technology and expertise. Iran, considered the most active state sponsor of terror, is known to be seeking dual-use materials, technology and expertise for its offensive biological and chemical weapons programs from entities in Russia as well as other countries. It is also seeking to upgrade its large ballistic missile force with the help of Russian, North Korean and Chinese firms. We have imposed sanctions, under various nonproliferation laws and other legal authorities, on Russian entities for providing assistance to Iran and other state sponsors of terrorism.

On a more positive note, in 2002, we and the Russians agreed to a New Strategic Framework that covers the issues of strategic offensive and defensive systems, nonproliferation and counterproliferation. Within the last several years, Russia has adopted comprehensive export control legislation, incorporating advice from U.S. experts as well as criminal and civil penalties for export control violations. It is up to the Russians themselves, however, to demonstrate the will and the capability to fully enforce this law over a sustained period of time. That said, while there are serious concerns that must be discussed and addressed regarding continued proliferation by some Russian entities, we continue to pursue robust relations with Russia, and view the context of our overall bilateral relationship as positive.

Although Western European countries maintain rigorous and effective export controls on WMD and missile-related goods and materials, proliferators and associated networks nonetheless continue to seek machine tools, spare parts for dual-use equipment, and widely available material, scientific equipment, and specialty metals. Western countries also are an important source for the proliferation of WMD-related information and training.

Regarding Ukraine, we have had serious discussions of, conducted a policy review in response to, and sent a joint US/UK team to Kiev to investigate, allegations of a possible transfer of the Kolchuga passive detection system to Iraq. Although the issue of whether a transfer took place was never resolved, the policy review concluded that continued engagement with Ukraine was in the interest of the United States, including engagement on proliferation issues. In the wake of the review, we shifted some FY03 assistance to Ukraine away from the central government and to programs that more directly promote democratic reform with special emphasis on media freedom, while preserving programs critical to U.S. national security, including nonproliferation assistance.

Belarus is one of the least responsive OSCE member states, and has done little to show it is serious about nonproliferation. We raised allegations of arms transfers by Belarus with that government in February 2002, reiterating the U.S. position that Belarus should not be in the business of selling arms to countries with histories of supporting terrorism or fomenting regional conflict. We stressed that, if Belarus genuinely wanted to improve its image and end its self-imposed isolation, it needed to make the right choices on these issues. We have no direct government-to-government assistance programs (aside from periodic exchanges) with the Government of Belarus.

One final example illustrates the difficulties between government will and the challenge posed by unscrupulous entities. The Government of Moldova has taken positive steps in the area of nonproliferation, although its legal and export control systems are still developing. At the same time, in May 2002, the United States imposed missile proliferation sanctions on two Moldovan entities, Cuanta S.A. and Computer & Comunicatii SRL, and a Moldovan national Mikhail Vladov, pursuant to the Iran Nonproliferation Act of 2000. The sanctions were imposed for the knowing involvement in the transfer of equipment and technology controlled under Category II of the Missile Technology Control Regime (MTCR) Annex, that contributed to MTCR-class (Category I) missile programs in Iran. These same transfers also required recent sanctions under the separate missile sanctions law.

Conclusion

Mr. Chairman, the events of September 11, 2001, changed the public understanding of the nature of the security threat we face, and highlighted for all the potential threats from weapons of mass destruction in the hands of rogue states and terrorist organizations.

Still, the degree to which the international community has undertaken to fundamentally address the threats posed by proliferation of WMD and the means to deliver them remains uncertain. The Administration will adhere to the dictum that actions speak louder than words, and will not assume that a country's membership in multilateral regimes automatically constitutes an accurate reading of its intentions and commitment to enforce fully the requirements of these agreements and regimes.

The maintenance of a functioning multilateral system to curb proliferation will require responsible parties to demand full compliance, and to advance credible enforcement responses when faced with violations of legal obligations. If the international community is truly serious about these treaties, common agreement on enforcement mechanisms should cover a range of options from diplomatic actions to, in some cases, multilateral sanctions.

The United States will continue to exercise strong leadership in both bilateral and multilateral fora to stem the proliferation of weapons of mass destruction and the means to deliver them, including robust enforcement of U.S. nonproliferation laws. As always, the United States will reserve its right to take whatever steps are necessary to protect and defend our interest and eliminate the threats posed by those who seek to develop and use weapons of mass destruction.

Thank you Mr. Chairman, and I am available to answer any questions you may have.