

QDR and Export Controls

Today's export control system is a relic of the Cold War and must be adapted to address current threats. The current system impedes cooperation, technology sharing, and interoperability with allies and partners. It does not allow for adequate enforcement mechanisms to detect export violations, or penalties to deter such abuses. Moreover, our overly complicated system results in significant interagency delays that hinder U.S. industrial competitiveness and cooperation with allies.

The United States has made continuous incremental improvements to its export control system, particularly in adding controls against the proliferation of weapons of mass destruction and their means of delivery. The United States has also been a leader in international export controls, creating and improving the multilateral regimes made up of U.S. allies and trading partners that control what is exported to countries of concern to the United States. The regimes also have become a global control standard via United Nations Security Council resolutions. They help ensure that key technologies and items available in numerous countries are controlled in order to prevent their acquisition by actors who would use them contrary to U.S. and allied interests.

However, the current system is largely out-dated. It was designed when the U.S. economy was largely self-sufficient in developing technologies and when we controlled the manufacture of items from these technologies for national security reasons. Much of the system protected an extensive list of unique technologies and items that, if used in the development or production of weapons by the former Soviet Union, would pose a national security threat to the United States.

The global economy has changed, with many countries now possessing advanced research, development, and manufacturing capabilities. Moreover, many advanced technologies are no longer predominantly developed for military applications with eventual transition to commercial uses, but follow the exact opposite course. Yet, in the name of controlling the technologies used in the production of advanced conventional weapons, our system continues to place checks on many that are widely available and remains designed to control such items as if Cold War economic and military-to-commercial models continued to apply.

The U.S. export system itself poses a potential national security risk. Its structure is overly complicated, contains too many redundancies, and tries to protect too much. Today's export control system encourages foreign customers to seek foreign suppliers and U.S. companies to seek foreign partners not subject to U.S. export controls. Furthermore, the U.S. government is not adequately focused on protecting those key technologies and items that should be protected and ensuring that potential adversaries do not obtain technical data crucial for the production of sophisticated weapons systems.

These deficiencies can be solved only through fundamental reform. The President has therefore directed a comprehensive review tasked with identifying reforms to enhance U.S. national security, foreign policy, and economic security interests. Reform efforts must reflect an inherently interagency process as current export control authorities rest with other departments. Similarly, meaningful reforms will not be possible without congressional involvement throughout the process. The Department of Defense has a vital stake in fundamental reform of

export controls, and will work with our interagency partners and Congress to ensure that a new system fully addresses the threats that the United States will face in the future.