

Appendix H

WASSENAAR ARRANGEMENT: DUAL-USE EXPORT CONTROLS

The Wassenaar Arrangement, established in July 1996, is a voluntary system for coordinating national controls on exports of conventional arms and dual-use technologies that depends on information exchange through a consultative forum. Wassenaar is a multilateral successor to COCOM, the Coordinating Committee on Multilateral Export Controls. COCOM was organized during the Cold War as a Western allied mechanism for restricting strategic military trade with the communist bloc—particularly trade in dual-use technologies that could be imported ostensibly for non-military reasons. After the Cold War and collapse of both the Warsaw Pact and the Soviet Union, the West sought through cooperative security and economic policies to foster political and economic reform in the former communist countries of Eastern Europe and the new states that emerged from the Soviet Union. The promotion of East-West political and security partnership in place of the adversarialism of the previous era required that COCOM, a Western economic warfare institution explicitly targeting the communist East, be dismantled.

This was best done, however, by rebuilding a mechanism for controls against the export of strategic dual-use items to still dangerous countries—a mechanism in which reformed, former communist states could participate as partners. This was the underlying construct for the creation of the Wassenaar Arrangement. Conflict with the countries that were of most urgent non-proliferation attention at the end of the Cold War, especially Iraq and Iran, had a significant impact on the generation of new export control and sanctions policies toward “dual-use” items, and, in turn, influenced the content of the Wassenaar guidelines. In effect, the Wassenaar “dual-use” controls are concerned to a considerable extent with dual-use technologies that can facilitate the proliferation of weapons of mass destruction. To the extent that such proliferation may be related to nuclear weapons capabilities, the Wassenaar arrangement complements (or reinforces) the dual-use controls of the Nuclear Suppliers Group (NSG), which focus on equipment, materials and technologies that are not necessarily intrinsically nuclear but can be used, indeed often are critical, for developing or manufacturing nuclear weapons.¹

Wassenaar Arrangement Creation. The initiative to control strategic dual-use goods by a multilateral mechanism distinct from COCOM was sponsored by the Bush Administration at a November 1992 meeting of the major Western industrialized states—Canada, France, Germany, Italy, Japan, United Kingdom, and the United States, collectively known as the Group of Seven (or G-7). As a consequence of earlier U.S. efforts and the defining experience of the Gulf War, the G-7 had already agreed to refrain from direct, large-scale sales of military equipment to Iraq and Iran. The new U.S. proposal sought to broaden the scope of the con-

ventional weapons embargo by halting the sale to Iran of dual-use technology that could be used for both military and civilian purposes. This effort was only partially successful, however, with the G-7 agreeing to curtail only those strategic dual-use exports destined for known military end-uses. A number of G-7 countries with important commercial links to Tehran, especially Japan, feared the United States intended to use the dual-use ban to control all aspects of trade with that country.²

The initiative was revived by the Clinton Administration in early 1993, when G-7 working groups made some progress in identifying “core lists” of technologies to control because of proliferation concern, although the G-7 continued to fail to agree on a common stand to block Iranian purchases of dual-use goods.³

Subsequent Clinton Administration efforts to block the export of conventional arms and dual-use military technology to Iran focused on developing a successor regime to COCOM. The charter for the successor regime, known as the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, was approved by thirty-three nations in the Dutch city of Wassenaar on July 12, 1996. Under the new arrangement, participants have agreed not to export conventional arms to four states—Iran, Iraq, Libya, and North Korea; to share information on military sales to other nations; and to regulate sales of military dual-use items. At the time Russia agreed to join the arrangement as a founding member, the other organizing states agreed that its substantial pre-existing arms sales contracts with Iran would be exempt from the group’s export restrictions.⁴

Although the guidelines of the regime do not mention its targets, senior Clinton Administration officials have stated that one key objective of the arrangement, from the U.S. perspective, is “to prevent transfers of arms and sensitive technologies for military purposes to the four pariah countries—Iran, Iraq, Libya, and North Korea.”⁵

Guidelines. The Wassenaar regime consists of two sets of guidelines: one on conventional weapons and the other on dual-use items and technologies. The guidelines on conventional arms call for regular information exchanges, consultations, and reviews of arms transfer or export deals. Members agree in principle to exchange information every six months on deliveries of weapons covered by the U.N. Register of Conventional Arms, and are supposed to include details of model and type, together with information on the quantity and the recipient. The guidelines on exports of dual-use items are based on an agreed list of controlled goods. This list is further divided into the Basic List (Tier 1) which includes, for example, telecommunications equipment, and annexes, comprising a Sensitive List (Tier 2), covering supercomputers, and a Very Sen-

sitive List (subset of Tier 2) that includes, among other things, stealth technology. While export of dual-use items is at the discretion of national governments, members have agreed to exchange information twice annually on all denials of export licenses for Tier 1 items; to notify denials of licenses for the export of Tier 2 items within 60 days; and to provide, twice a year, information on licenses to export any Tier 2 items to non-members. Members have also agreed to inform other members, within 60 days, of approval of any license that has been denied by another member during the previous three years.

Member Countries⁶

Argentina	Greece	Romania
Australia	Hungary	Russia
Austria	Ireland	Slovakia
Belgium	Italy	South Korea
Bulgaria	Japan	Spain
Canada	Luxembourg	Sweden
Czech Repub.	The Netherlands	Switzerland
Denmark	New Zealand	Turkey
Finland	Norway	Ukraine
France	Poland	United Kingdom
Germany	Portugal	United States

NOTES

¹Within the United States, exports of both categories of dual-use items are licensed by the Commerce Department, pursuant to the Export Administration Act. Iran-Iraq Arms Nonproliferation Act of 1992, Division A, title XVI, section 1603, P.L. 102-484, 106 Stat. 2571, 50 U.S.C. Section 1701, note (Oct. 23, 1992).

²See Steve Coll, "Technology From West Floods Iran," *Washington Post*, November 10, 1992; Leslie Helm, "Japan Reluctant to Back Embargo on Iran; Tokyo Distances Itself From Policy on Exports to Tehran," *Los Angeles Times*, November 13, 1992.

³See "A G-7 Embargo on Iran?" *Mednews*, April 19, 1993; Elaine Sciolino, "U.S. Asks Europe to Ban Arms-Linked Sales to Iran," *New York Times*, June 10, 1993; Kenneth Katzman, *Iran: U.S. Policy and Options*, Congressional Research Service Report 97-231 F, Feb. 11, 1997, p. 8.

⁴See "Initial Elements of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies," adopted by the Plenary, July 11-12, 1996; Philip Finnegan and Theresa Hitchens, "U.S. Fights Dual-Use Technology Flow to Iran," *Defense News*, February 28, 1994, p. 6; "Wassenaar Arrangement on

Export Controls for Conventional Arms and Dual-Use Goods and Technologies: Final Declaration," Fact Sheet, December 19, 1995; "Post-COCOM 'Wassenaar Arrangement' Set to Begin New Export Control Role," *Arms Control Today*, December 1995/January 1996; British American Security Information Council, "Wassenaar Arrangement Controversial," *BASIC Reports: Newsletter on International Security Policy*, February 21, 1996; Jeff Erlich, "Future of Multinational Export Control Remains in Question," *Defense News*, July 22-28, 1996, p. 10; Andrew J. Pierre, "The Wassenaar Arrangement," *IJSS: Strategic Comments*, August 1996; "Press Briefing by Russian Federation Foreign Ministry Spokesman," *Federal News Service*, September 5, 1996.

⁵See "Address by Under Secretary of State for Arms Control and International Security Affairs Lynn E. Davis," before a meeting sponsored by the Carnegie Endowment Nuclear Non-Proliferation Project, Washington, D.C., January 23, 1996.

⁶As of August 1, 1997, see International Institute of Strategic Studies, *The Military Balance 1997/98* (London: Oxford University Press for International Institute of Strategic Studies, October 1997), p. 290.