



## **Beyond the Zero-Sum Game: Technology Transfer and International Security in the Twenty First Century**

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September 24, 2008



## BIS Mission

- To advance U.S. national security, foreign policy, and economic interests.
  - BIS is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and reexport of most commercial items.





## Cold War Paradigm

- Clearly defined enemy, one which our allies shared
- Significant technological advantage
- Extensive controls
  - In 1985, a desk-top computer required an export license to all destinations except Canada



## Current Challenges

- Diffusion of threats
  - conventional challenges from nation-states
  - asymmetric and potentially catastrophic challenges from both nation-states and non-state actors
  - diffuse challenges of disruptive technologies that may enable adversaries of all kinds to rapidly diminish our traditional advantages



## Current Challenges

- Diffusion of markets
  - China
  - India
  - Others
  
- Diffusion of technologies
  - China
  - India
  - Others



## Response to Challenges

- 21<sup>st</sup> century challenges require revisions to the existing dual-use export control system
  - *Who*
    - Differentiate among end-users in most countries
  - *What*
    - Review control levels
    - Reflect foreign suppliers and foreign controls
  - *How*
    - Augment outreach
    - Increase transparency



## Technology Transfer and International Security

- Calibrated technology transfer policy needed to enhance international security
- Increase number and width of secure trade channels
- Control and visibility



## Who

- Responsible foreign companies
  - Validated End-User (VEU) program
- Responsible multinationals
  - Intra-Company Transfer license exception
- Foreign parties requiring additional screening
  - Expanded Entity List
  - Possible additional requirements for foreign nationals based on prior affiliations



## What

- Review of commodities, software and technology subject to controls
  - Current control list
  - Foreign availability
  - Emerging technologies



## How

- Expanded outreach
  - On-line website training room already over 40,000 hits
- Greater transparency
  - Publication of general interest advisory opinions
  - Links to companies' commodity classifications
- Compliance
  - Automated Export System validations and analysis



## Industry and International Cooperation

- Industry/government cooperation
  - Technical Advisory Committees
  - Notices of inquiry
- Government/government cooperation
  - High technology forums
    - India, China, Israel
  - Bilateral discussions/meetings
  - Multilateral regimes



## Additional Challenge

- Long-standing lapse of the Export Administration Act of 1979 (EAA)
  - Hinders ability of BIS to employ up-to-date authorities to enforce the dual use export control system.
  - While in lapse, the EAA cannot be updated and thus the enforcement authorities of BIS's Special Agents' have not kept pace with an ever changing criminal landscape.



## Conclusion

- The United States faces unprecedented challenges from diffusion of threats, markets, and technology.
- Calibrated controls are required to meet challenges and enhance international security.