

**STATEMENT OF L. BRITT SNIDER
INSPECTOR GENERAL
CENTRAL INTELLIGENCE AGENCY**

**Before the
Senate Governmental Affairs Committee**

on

**CENTRAL INTELLIGENCE AGENCY SUPPORT TO EXPORT LICENSING
PROCESSES FOR DUAL-USE COMMODITIES AND MUNITIONS**

23 June 1999

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Thank you very much, Mr. Chairman. I am pleased to have this opportunity to speak with you about the Central Intelligence Agency's role in supporting the export licensing processes for dual-use commodities and munitions. Along with the reports of the five other inspectors general responding to your call for a consolidated review, I have submitted a detailed report that presents the results of my review of the Agency's performance in the licensing processes. My report contains descriptions of certain analytical methodologies applied by the Agency and is therefore classified in conformance with national security guidelines. I can, however, summarize the findings of my review in this open hearing.

The Central Intelligence Agency directly supports the export licensing processes of the Departments of Commerce and State for dual-use commodities and munitions by providing relevant intelligence information that is available within the Agency on the end users and intermediaries identified in export license applications. The CIA obtains this information in the normal conduct of intelligence collection and analysis concerning proliferation activity and programs for developing weapons of mass destruction. The Agency provides additional support to the licensing processes by preparing finished intelligence reports and briefings on the results of these collection and analysis efforts, and through the participation of certain of its scientific experts and licensing analysts in the deliberations of the licensing advisory committees of the Missile Technology Export Control Group, Subgroup on Nuclear Export Coordination, and a chemical and biological weapons group.

One can debate whether the scope of the Agency's support to the licensing processes is sufficient, or whether CIA as an institution should do more. We evaluated CIA's performance against what it has committed to do in support of the Commerce and State processes, and, while we identified deficiencies in that performance, our overall conclusion was that the Agency was

substantially doing what it had undertaken to do. The resources devoted to providing this support, however, have not increased at the same proportion as the number of cases the Agency has been asked to review over the last three years, and, if the Agency should assume a larger role, clearly additional resources would have to be allocated from other missions. Ultimately it's a matter to be considered and resolved by the Agency and the two Departments we support.

What we attempted to do is look for weaknesses in the way the CIA currently supports the licensing processes at State and Commerce, and look for ways to improve that support. While the rationale which underlies our recommendations is classified – and the Committee has been provided a copy of our classified report – I am able to explain in general terms the nature of our recommendations without getting into classified information.

First, we found that not all of the Agency data bases that might reasonably be expected to contain relevant information on end users were routinely being searched by the analysts doing such searches. We recommended this be corrected.

Second, we found that the searches undertaken by CIA analysts were not being documented in a uniform way, either in terms of

recording what was done as part of the search or in documenting what was reported to Commerce or State. We recommended this be corrected.

Third, we believe that the response time of nine days which CIA has to review cases from the Department of Commerce is unrealistic and cannot be satisfied with the existing staff resources. We recommend that the Agency work with Commerce to establish a more realistic response time, and then staff its analytical capability accordingly.

Fourth, we found that Commerce does not fully appreciate the nature and limitations of the Agency's capabilities to support the licensing processes, and, in turn, Agency analysts do not always have a clear perception of the licensing officers' needs. We recommend a full-time Agency liaison officer be assigned to Commerce to help bridge this gap.

Finally, we saw a need for guidance to those in the Agency who are involved in the licensing processes that addresses management's expectations of the level of effort to be devoted to these efforts and that provides for alternative reporting channels in those instances when sensitive intelligence information cannot be included in routine end-user reports. We recommended that the

Special Assistant to the DCI for Nonproliferation formulate this guidance.

In sum, while the CIA plays a limited, supporting role in the export licensing processes, we believe it can play that role more effectively and efficiently than it currently does.

Thank you, Mr. Chairman.