

Strengthening Multilateral Nonproliferation Regimes

Testimony of Vann H. Van Diepen, Director Office of Chemical, Biological, and Missile Nonproliferation Department of State

Senate Governmental Affairs Committee
Subcommittee on International Security, Proliferation and Federal Services

July 29, 2002

I. Introduction:

Mr. Chairman, Senator Cochran, and Members of the Sub-Committee:

It is my privilege to testify before you today on behalf of the State Department on the important subject of multilateral nonproliferation regimes, which play a vital role in U.S. and international efforts to impede the spread of weapons of mass destruction (WMD), missiles for their delivery, and advanced conventional weapons.

Nonproliferation continues to be one of the most important and complex of America's foreign policy challenges. Preventing the spread of WMD and missiles is among the President's highest national security priorities. He has made clear that halting proliferation is a central tenet of U.S. foreign policy and has articulated the need for a comprehensive strategy to combat this threat.

We are responding to this challenge with an activist agenda that includes a broad range of tools – norms, export controls, interdiction, sanctions, counterproliferation, deterrence, and direct diplomacy. Our toolkit also includes the multilateral nonproliferation arrangements or regimes – the Missile Technology Control Regime (MTCR), the Australia Group (AG) Chemical/Biological regime, the Nuclear Suppliers Group (NSG), the Zangger Committee, and the Wassenaar Arrangement (WA) Conventional Arms and Dual-Use Goods and Technologies regime. Members of these regimes agree as a matter of policy to establish laws, policies, and/or regulations consistent with the regimes' guidelines. The guidelines of the regimes are not internationally legally-binding arrangements. The other key multilateral approaches are treaties or conventions that establish basic norms related to chemical, biological, and nuclear weapons. These multilateral mechanisms are legally-binding on members and are global in scope. They are the Chemical Weapons Convention (CWC), the Biological Weapons Convention (BWC), the Nuclear Nonproliferation Treaty (NPT), and the International Atomic Energy Agency (IAEA).

II: The Regimes, Treaties

As part of our overall nonproliferation strategy, the regimes and treaties have made important contributions in slowing WMD and missile proliferation worldwide. Through effective enforcement of comprehensive export controls, broad multilateral cooperation in halting shipments of proliferation concern and active outreach to key non-members to increase their awareness of proliferation threats, regime members have made it more difficult, more costly, and more time-consuming for programs of proliferation concern to obtain the expertise and material needed to advance their programs. The treaties have established a global norm against the proliferation of WMD and provided a basis on which the international community can cooperate to enforce that norm. In the case of the CWC and the NPT, there are international verification organizations that have a global norm against the proliferation of WMD and provide a basis on which the international community can cooperate to enforce that norm. In the case of the CWC and the NPT, there are international verification organizations that have a legal right to inspect and require other measures from states' parties in order to promote compliance with these treaties.

The Australia Group (AG), which controls chemical and biological weapons-related goods, was established in 1984, in the wake of chemical weapons (CW) use during the Iran-Iraq war. Both Iran and Iraq clearly had produced CW with supplies and materials acquired from foreign companies. The AG was formed to ensure that companies and persons in participating countries did not -- either intentionally or inadvertently -- assist states and

other actors seeking to acquire a CBW capability. The AG provides a venue for discussion of CBW threats and trends, including those related to terrorism, as well as participants' experiences in implementing and enforcing CBW export controls. It also works toward harmonizing participants' export controls. The AG control list covers 54 precursor chemicals used for CW production, many biological toxins and microorganisms with high potential for BW use, as well as dual-use production equipment, technology, and facilities. The thirty-three members of the AG are Argentina, Australia, Austria, Belgium, Bulgaria, Canada, the Czech Republic, Cyprus, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, the Republic of Korea, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

The Missile Technology Control Regime or MTCR was created in 1987. Its member states (Partners) seek to limit the proliferation of missiles capable of delivering WMD and related equipment and technology. Like the three other informal regimes, the MTCR is not a treaty or a legally-binding arrangement. The centerpiece of the regime is a common export policy known as the MTCR Guidelines, applied to a common list of controlled items known as the MTCR Annex, which each Partner country implements according to its own laws. The MTCR restricts transfers of missiles -- and equipment and technology related to such missiles -- capable of delivering at least a 500-kg payload to a distance of 300 km. These are MTCR Category I or MTCR-class missiles. Such missiles are inherently capable of WMD delivery. Examples include the SCUD and the North Korean No Dong. The MTCR Annex controls the key equipment and technology needed for missile development, production, and operation. As with the other regimes, MTCR export controls are not licensing bans -- but rather regulatory efforts by individual regime Partners to prevent the transfer of goods and technology that could contribute to the development, production, and operation of missiles for proscribed purposes. The 33 MTCR Partner countries are: Argentina, Australia, Austria, Belgium, Brazil, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, South Africa, South Korea, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom, and the United States.

The Nuclear Suppliers Group (NSG) was formed in 1974 following the Indian nuclear explosion, which demonstrated how nuclear technology and materials transferred for peaceful purposes could be misused. The NSG Guidelines for Nuclear Transfers, first published in 1978, required the following for exports of nuclear materials and equipment: (1) formal recipient government assurances confirming the application of IAEA safeguards and pledging no nuclear explosive use; (2) adequate physical protection; and (3) particular caution in the transfer of sensitive materials. In 1992, the NSG added the requirement for full scope IAEA safeguards as a condition of supply to non-nuclear weapons states of nuclear Trigger List items (called the "Trigger List" because such exports trigger the requirement for safeguards). Nuclear technology was added to the Trigger List in 1995. Part 2 of the 1992 NSG Guidelines governs exports of nuclear-related dual-use equipment, materials, and technology. The NSG now includes the following 40 countries: Argentina, Australia, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, Cyprus, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Kazakhstan, Latvia, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Korea, Romania, the Russian Federation, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom, and the United States.

The Wassenaar Arrangement (WA) was established in mid-1996 to promote transparency, responsibility, and restraint in transfers of conventional arms and related dual-use products. The WA coordinates control lists of such items and all members have agreed to avoid transfers of listed items to military end-users in "countries of concern." These countries are understood to include Iran, Iraq, Libya, and North Korea. Members exchange information on arms transfers, sensitive list dual-use transfers, and denials of basic list and sensitive list dual-use items. The goal is to foster common and consistent export policies and to help members detect and prevent destabilizing accumulations or other threats that might undermine the regime's objectives. WA membership includes 32 countries: Argentina, Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway,

Poland, Portugal, the Republic of Korea, Romania, the Russian Federation, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom, and the United States.

The Biological Weapons Convention (BWC) entered into force in 1975 (the United States having previously fully implemented President Nixon's 1969 order to dismantle the U.S. offensive program). Under the terms of the Convention, the parties undertake not to develop, produce, stockpile, or acquire biological agents or toxins "of types and in quantities that have no justification for prophylactic, protective, and other peaceful purposes," as well as weapons and means of delivery. There are currently 146 States Parties and 17 signatories to the BWC.

The Chemical Weapons Convention (CWC), which entered into force in 1997, establishes a ban on chemical weapons. It prohibits the development, production, stockpiling, and use of chemical weapons and requires destruction of such weapons and the facilities used to produce them. The Convention also establishes a detailed verification regime. Currently, 145 countries are parties to the Convention. Non-parties include North Korea, Iraq, Libya, Syria, Egypt, and Israel.

The International Atomic Energy Agency (IAEA) was established at the initiative of President Eisenhower in 1957 to promote cooperation in the peaceful uses of nuclear energy while guarding against the diversion of nuclear material and equipment to military purposes. The subsequent negotiation of the NPT led to a large expansion of the IAEA's role in "safeguarding" nuclear material. Today, the IAEA has 134 members and assists developing countries in a wide range of peaceful nuclear applications, advises its members on critical nuclear safety matters, and implements safeguards agreements with more than 140 countries. These agreements play an important role in international security as they allow the IAEA to serve as a "burglar alarm" and alert the international community to certain nuclear weapons proliferation activities. In the aftermath of September 11, the IAEA also is well-placed to provide assistance to countries desiring to expand their national programs to protect against nuclear terrorism.

The Nuclear Non-Proliferation Treaty (NPT) entered into force in 1970. Efforts after World War II to place all nuclear material under international control failed, and by the 1960s there was strong support for limiting the number of nuclear-weapon states to those then extant. Non-nuclear-weapon states agree under the Treaty not to manufacture or acquire nuclear weapons and to accept international inspection. As they joined the Treaty, the five then-existing nuclear-weapon states (U.S., UK, and Russia in 1970; then France and China in 1992) agree not to assist non-nuclear-weapon states to acquire or manufacture nuclear weapons and to pursue negotiations on measures related to nuclear disarmament. Other measures include a requirement to ensure the application of IAEA safeguards on nuclear exports to non-nuclear weapons states, and an obligation to facilitate international cooperation among NPT parties in the peaceful uses of nuclear energy with particular concern for developing countries. The NPT also calls for a conference every five years to review implementation. The primary goal of the NPT was to forestall what many believed would be 25-35 more states with nuclear weapons by 2000. With 187 parties today, the NPT is virtually universal. Only India, Pakistan, Israel, and Cuba remain non-parties.

The purpose of the 35-nation Nuclear Nonproliferation Treaty Exporters (Zangger) Committee is to harmonize implementation of the NPT's requirement to apply IAEA safeguards to nuclear exports. It was established between 1971 and 1974 in Vienna by a group of 15 nuclear supplier states chaired by Professor Claude Zangger of Switzerland. Article III.2 of the Treaty requires parties to ensure that IAEA safeguards are applied to exports to non-nuclear-weapon states of (a) source or special fissionable material, or (b) equipment or material especially designed or prepared for the processing, use or production of special fissionable material. The Committee maintains and updates a list of equipment and materials that may only be exported if safeguards are applied to the recipient facility. The group operates on an informal basis and its decisions are not legally binding upon its members. The relative informality of the Committee has enabled it to take the lead on certain nonproliferation issues that would be more difficult to resolve in the NSG. All of the NPT nuclear-weapon states, including China, are members of the Zangger Committee. However, China is the only member of the Zangger Committee that is not a member of the NSG. China has not been willing to accept the NSG policy of requiring full-scope safeguards (FSS)

as a condition of nuclear supply to non-nuclear states. The 35 Zangger Committee members are: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, China, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Republic of Korea, Romania, the Russian Federation, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom, and the United States.

III. Current Effectiveness

Each of these regimes and treaties continues to serve a vital role in the fight against weapons and missile proliferation. These efforts have impeded progress in missile and CBW programs of concern -- among other things causing delays, forcing the use of elaborate and time-consuming procurement networks, and compelling reliance on older and sometimes less effective technology. They have established a global political and legal barrier against the spread of WMD and led to unprecedented international inspections of nuclear and chemical weapons programs. Each has recorded a number of successes and each faces unique challenges. I would like to review now the current effectiveness of the various mechanisms.

By the 1990s, the Australia Group had largely succeeded in removing its members as an inadvertent source of supply for CBW programs under state (or national) auspices. Since September 11, the group has been focusing on revamping its control lists to better address the terrorist threat. In 2002, the AG adopted licensing guidelines and became the first regime to require participants to have catch-all controls (covering non-AG listed items when destined for a CBW use and to control intangible transfers of technology. The AG also agreed to control technology for the development and production of listed biological agents and equipment. In recent years, AG members have begun to consider measures to address the challenges posed by cooperation on CBW programs by non-member countries. While the AG has been attacked in the Biological Weapons Convention (BWC) and the Chemical Weapons Convention (CWC) by some members of the non-aligned movement seeking to abolish export controls on CBW-related goods, AG participants agree on the continued necessity and viability of the AG, its compatibility with the conventions and the need to educate non-members on the regime. Dealing with a hostile environment in the BWC and the CWC in Geneva and The Hague will remain a priority.

Over the course of the MTCR's fifteen-year history, the Regime has had important successes in slowing missile proliferation worldwide. For example, the MTCR Partners have persuaded most major suppliers (e.g., Brazil, the EU countries, Japan, South Korea, Ukraine, and South Africa) to control responsibly their missile-related exports. We have reduced the number of countries with MTCR-class programs, eliminating Argentina's Condor missile program, and missile programs in the Czech Republic, Hungary, Poland, and the Slovak Republic, and we will soon eliminate Bulgaria's missile program. In addition, MTCR Partner countries have cooperated to halt numerous shipments of proliferation concern. The MTCR has established a broad outreach program to increase awareness of the global missile threat among transshipment centers and other MTCR non-members. The MTCR Guidelines and Annex have become the international standard for responsible missile-related export behavior.

The NSG's greatest successes included reaching agreement in 1992 to: 1) require fullscope safeguards as a condition of nuclear supply to non-nuclear states; and 2) to control nuclear dual-use equipment, material and technology which could be of significant use in nuclear explosive programs. Also of significance was the adoption in the late 1990s of dual-use catch-all controls by the great majority of NSG members on a national basis. Such controls cover items that could be of nuclear weapons significance but are not included on the control list.

We have had notable success in gaining Wassenaar Arrangement consensus on guidelines for exports of Man Portable Air Defense Systems (MANPADS), expanding the arrangement's mandate to explicitly prevent terrorists from acquiring controlled items, and increasing subcategories for arms reporting. Wassenaar provides a useful forum for discussing developments that have a bearing on national export control policies, such as changes in technology that might affect what should be subject to export controls, regional developments and possible mutual restraint.

The BWC has served for nearly 30 years as an important international prohibition on nearly all activities associated with biological weapons. The BWC does not include a mechanism for checking compliance as it is inherently unverifiable. From 1995 until 2001, an Ad Hoc Group of States Parties worked toward completion of a legally binding protocol to “enhance transparency and promote compliance.” The draft protocol was based on traditional arms control measures that are not effective on biological technology or agents. In early 2001, the United States reviewed its policy toward the BWC protocol and concluded that the United States could not support the approach embodied in the draft protocol and that the protocol’s flaws could not be fixed. The draft protocol would not improve U.S. ability to verify BWC compliance nor deter countries seeking to develop biological weapons. The draft protocol would have put U.S. national security and confidential business information at risk. In July 2001, the United States informed States Parties of its decision. The United States has proposed several important alternative measures to combat the BW threat.

The CWC has helped reduce the threat from chemical weapons. It established an international proscription on chemical weapons, making clear that chemical weapons are not legitimate weapons. The Convention has resulted in international disclosure of chemical weapons programs in a number of countries, including India, China, and Iran. Stockpiles of chemical weapons, as well as chemical weapons production facilities, are being destroyed in Russia and a number of other countries. Around the world, facilities that could be used for chemical weapons-related purposes are subject to international inspection. The CWC demonstrates the value of properly-designed multilateral agreements for placing constraints on potential proliferators. Our experience with the CWC demonstrates the need for supplementary mechanisms, such as the Australia Group, to assist like-minded states in coordinating national efforts to prevent the export of materials to those who would use them to produce CW. Our experience with the CWC also demonstrates the critical importance of U.S. leadership not only in negotiating an agreement, but also in ensuring that it is effectively implemented. U.S. leadership has been essential in the ongoing effort to restore the health of the international organization responsible for monitoring compliance -- the Organization for the Prohibition of Chemical Weapons (OPCW), which is headquartered in The Hague.

As the key verification mechanism under the NPT, the IAEA has performed well, but has also been frank in recognizing its deficiencies and in proposing remedies. Over the past ten years, the IAEA has taken several steps to improve its safeguards systems. It has an important role to play in monitoring the nuclear programs of Iraq and North Korea, but these countries have continued to impose obstacles to the IAEA fulfilling its responsibilities. The IAEA has served as an important source of assistance to developing countries, which might otherwise not obtain the benefits of peaceful nuclear applications as envisaged for NPT parties in good standing. In the aftermath of the 1986 Chernobyl accident, the IAEA expanded its programs in advising and training some states in the safe operation of nuclear power reactors. Adoption by member states of the Model Additional Protocol to existing safeguards agreements, approved by the IAEA in 1997, would strengthen the effectiveness and improve the efficiency of the safeguards system. After September 11, the IAEA moved promptly to expand its programs to combat nuclear terrorism, although it is premature to judge the effectiveness of this effort. A strong, effective, and efficient IAEA serves important U.S. interests. The IAEA must have sufficient and predictable financial resources to fulfill all aspects of its mission.

The NPT contributed importantly to stemming the tide of nuclear proliferation in the latter half of the twentieth century. States such as South Africa, Argentina, and Brazil decided against nuclear weapons and joined the NPT. Following the dissolution of the Soviet Union, all former Soviet nuclear weapons were transferred to Russia. All other former Soviet states joined the NPT as non-nuclear-weapon states. The NPT’s steadily-growing membership since 1970 has consistently affirmed the global norm against the spread of nuclear weapons. That goal remains critical today, even more so with the threat of nuclear terrorism. The NPT is a 32-year old multilateral treaty that has retained its relevance into the twenty-first century. Among the lessons from the long history of the NPT is the importance of American leadership. Nonetheless, the United States cannot do it alone; international cooperation and consultation are essential. The periodic NPT review process called for in the Treaty is an important means for addressing issues relevant to NPT implementation. The Treaty’s verification system must be monitored continually so that it can be strengthened against those who would violate the Treaty.

Since the Zangger Committee agreed to admit China in 1997, China has played a constructive role in the Committee's work. The Committee also agreed on a strong statement of concern following India and Pakistan's respective nuclear tests in May 1998. The Committee took the lead in developing supplier consensus to add enrichment, reprocessing, and heavy water production equipment to the Trigger List.

IV. Facing the Future

Nonproliferation faces a challenging future. As events of the past year have demonstrated, we face an increasing proliferation threat from terrorists and their state sponsors. The treaties face a continuous threat from states that would seek to violate them. We must scrutinize not only the nonproliferation regimes and treaties but also all our nonproliferation tools with an eye toward improving their effectiveness in helping to ensure global security and stability.

In this regard, we need to continue to work with our regime partners on "regional nonproliferation" — focusing on steps, beyond simply controlling our own exports, that we and our partners can take individually or collectively to impede WMD and missile proliferation. The regimes must continue to update control lists to reflect technological advances and ensure that they keep pace with proliferation trends; work to extend export controls in line with regime standards to all potential suppliers of WMD and missile equipment and technology as well as to those countries that serve as transshipment points, and increase efforts to make non-members more aware of the threat and consequences of unchecked proliferation. The regimes must also help non-members understand that responsible nonproliferation policies and practices do not hinder trade and can actually be beneficial to trade by increasing confidence, and urge them to adopt policies and practices consistent with regime standards, providing export control assistance as necessary.

AG members need to take steps to deal with two key aspects of the regional CBW threat: 1) CBW programs in non-AG countries, and 2) sources of support for such programs in non-AG countries. The AG provides a valuable avenue for participants to discuss appropriate actions, divide the labor, and avoid duplication of effort.

At the urging of the United States, the MTCR Partners continue to focus on additional ways to address ongoing missile proliferation challenges, particularly in the context of the global campaign against terrorism. We seek to place renewed emphasis on regional nonproliferation, information-sharing, and interdiction cooperation. We also will seek continuing refinements and updates to the MTCR Annex that will address emerging technological and proliferation trends.

The NSG is considering U.S. proposals to enhance its ability to deal with the threat of nuclear terrorism. These proposals include enhanced information sharing on approvals of Trigger List and nuclear-related dual-use exports as well as denials of Trigger List exports. Changes in the Guidelines have also been recommended. The NSG will continue to pursue vigorous outreach dialogue with key non-member states, including China, India, Israel, and Pakistan. The NSG also continues to focus on the problems raised by Russian nuclear supply to India.

In the Wassenaar Arrangement, the United States is seeking ways to expand arms transfer reporting in existing categories and to add small arms/light weapons reporting for items on the Wassenaar Munitions List. We also want to reach agreement on a Statement of Understanding concerning catch-all controls as well as a provision for "no undercut" denial consultations in the Arrangement's Initial Elements.

The United States is actively working to develop more effective ways to combat the BW threat. The unprecedented attack on the United States on September 11 and subsequent bioterrorism underscored the dangers posed by both determined State actors as well as non-State actors. The United States therefore has decided it must look beyond traditional arms control measures to deal with the complex and dangerous threat posed by BW. Countering this threat will require a full range of measures — tightened export controls, intensified nonproliferation dialogue, increased domestic preparedness and controls, enhanced biodefense and counterterrorism capabilities, and innovative measures against disease outbreaks as well as the full compliance with the BWC by all States Parties. The

U.S. proposed “alternative measures” to strengthen the Convention before the November 2001 BWC Review Conference with a goal of highlighting compliance concerns and attempting to gain support from States Parties for the U.S. package and other measures that would address the BW threat of today and the future. We hope that BWC parties can agree on measures that will effectively do so.

As a first priority with respect to the CWC, the United States seeks to ensure the effective operation of the OPCW. To correct serious mismanagement problems, the United States recently led a successful multilateral effort to remove and replace the head of the OPCW Technical Secretariat. We are now trying to restore financial stability to the OPCW to enable it to fulfill its worldwide verification mission. Furthermore, we are stressing the importance of addressing concerns with compliance, using bilateral and other appropriate mechanisms provided by the Convention, possibly including challenge inspection. The five-year Review Conference for the CWC is slated to commence in April 2003; we are actively examining ways to use this opportunity to refine and strengthen implementation.

As the NPT inspection regime on which the NPT relies, the IAEA safeguards system must be adequately funded and vigorously implemented. The powers of the IAEA under the NPT will be enhanced significantly if NPT parties adopt the Additional Protocol to existing safeguards agreements. President Bush forwarded the U.S. Additional Protocol to the Senate in May of this year to demonstrate the importance we attach to its universal acceptance. The IAEA can play an important role in efforts to address the risk of nuclear terrorism, not only through its safeguards systems but also through programs designed to help states with national programs to secure nuclear facilities and materials.

The NPT will realize its full potential only if the international community adopts an approach of zero tolerance for violations. That requires vigorous efforts to bring Iraq and North Korea into compliance, and to warn any other state contemplating a violation of the NPT that doing so will be met with a concerted action and effective response.

The Zangger Committee, owing to its link to the NPT, is uniquely positioned to engage NPT-Party critics of the nonproliferation regimes such as Egypt, Indonesia, Malaysia, and Mexico and to present supplier government views at NPT conferences and meetings. The Committee also continues to take the lead in considering additions to the Trigger List, with the latest such effort, the addition of plutonium separation equipment, expected to be finalized by October 2002.

V. Emerging Threats

These regimes and treaties have contributed greatly to international nonproliferation efforts, but we cannot become complacent. As a starting point, rigorous, energetic, and ever vigilant enforcement is essential. Nonproliferation remains a perpetually unfinished project. More work always needs to be done. We must deal with continuing proliferation threats posed by countries such as Iran, Iraq, Libya, North Korea, India, and Pakistan. We must strengthen cooperation and cope with the impact of technological advances. We must continue to combat the terrorist threat. We must consider new potential threats, expand our nonproliferation toolkit, and improve the efficacy of those tools we have.

As the anthrax letters demonstrated last year, the use -- or the threat of use -- of a biological agent can have a profound and devastating impact. We need to recalibrate our focus to concentrate on the small-scale terrorist threat as well as the larger state-sponsored military threat. For example, we need to do more to ensure that terrorists do not gain access to the dual-use production equipment and the biological pathogens that could be used to produce BW. We must work with governments, institutes, academia, and research centers world-wide to improve accounting controls, security, and access to such items. Perhaps more importantly, we need to keep abreast of procurement trends and technological advances to stay ahead of the terrorist and state-sponsored programs. Many of these activities will require efforts both inside and outside the regimes and treaties.

MTCR Partners' vigorous enforcement of export controls consistent with the MTCR Guidelines and Annex continues to make it more difficult for proliferators to get items for their missile programs, increasing the cost, time, and effort required. Responsible countries must work to prevent proliferators, terrorists and smugglers from acquiring missiles. Ample information indicates significant movement of proliferation-related products through loosely-controlled transshipment points. MTCR Partner and like-minded countries must encourage such countries to adopt effective transshipment controls, shut down front companies, prosecute brokers involved in proliferation activities, and improve enforcement procedures. The MTCR must also examine what role it can play in strengthening efforts to keep WMD and means of production and delivery out of the hands of terrorists.

In addition to the MTCR, the United States supports the wide acceptance of the International Code of Conduct Against Ballistic Missile Proliferation (ICOC). Initiated by the MTCR countries in 1999, the ICOC is intended to be a new multilateral complement to the work of the MTCR. The Code will supplement and not supplant the MTCR. The ICOC would consist of a small set of broad principles, general commitments, and modest confidence-building measures. It is intended to be a voluntary political commitment to establish a broad multilateral norm against missile proliferation. It will complement the MTCR and other national missile nonproliferation efforts by establishing a widely-subscribed consensus that countries should cooperate on a voluntary basis to impede missile proliferation. We hope the ICOC will come into effect as early as the end of this year.

Both the NSG and Zangger Committee are expected to play an increased vital role in dealing with the threat posed by nuclear terrorism, once U.S. proposals for strengthening these regimes are considered and adopted. However, neither group is currently positioned to address a newly-identified concern -- the vulnerability of multinational nuclear companies to possible penetration by employees loyal to non-state actors. The globalization of the nuclear industry has been an accelerating phenomenon in recent years and U.S. Government agencies have begun to consider ways to address potential threats to multinational companies.

The United States succeeded in convincing our WA partners to expand the Arrangement's mandate explicitly to prevent terrorists from acquiring controlled items. We will seek to maintain this momentum in addressing international terrorism issues to include establishment of an appropriate information sharing mechanism in the WA General Working Group. Although some WA members have opposed our efforts to expand transparency commitments within the WA, we have made progress and are optimistic of our ability to continue to further this goal.

The U.S. "alternatives" proposal attempts to enhance implementation of and compliance with the 1975 BWC in light of concerns stemming from terrorism and regional proliferation. Such proposed measures include promotion of standards for biosafety and biosecurity, scientific and industrial codes of conduct and improved disease surveillance. The nature of developing threats is such that effective implementation of the BWC requires agreement on more specific measures addressing those threats.

The CWC is one of a number of tools that we have to address the chemical weapons threat. These tools compliment and supplement each other. The Convention was designed primarily to deal with weapons programs of states. However, by obligating states not to assist any person in acquiring chemical weapons and requiring them to ensure domestic compliance, it indirectly assists in fighting terrorism, as well. It can directly impact regional proliferation, but only if the relevant states become parties.

The threat of a "dirty bomb" or radiological dispersal device has also gained more attention since September 11. The IAEA is expanding its activities in this area. It has coordinated assistance for member states in identifying, locating, and securing radiological devices that were carelessly abandoned after being used for peaceful and military purposes. Some of these devices have radioactive material that would be useful in a dirty bomb. The IAEA can also provide assistance to states in establishing a proper framework for regulation and control of these devices while in civilian uses. In addition to advising states on proper standards, the IAEA can assist in the procurement of equipment to detect illegal trafficking in nuclear and other radioactive material.

In closing, multilateral nonproliferation regimes and treaties have an important role to play as two components of a comprehensive approach to advancing U.S. national security and nonproliferation policy. They must remain vibrant, active tools, focused on their collective and individual core mission -- impeding threatening weapons programs, especially via impeding the spread of weapons and related equipment and technology, and reinforcing and verifying treaty obligations against the acquisition of WMD. At the same time, these multilateral instruments must also possess the flexibility to adapt to new challenges on the battlefield of nonproliferation. The continued exercise of strong U.S. leadership will play an indispensable role in strengthening these multilateral regimes and treaties to better combat proliferation.