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# NIS EXPORT CONTROL Observer

## ОБОЗРЕНИЕ ЭКСПОРТНОГО КОНТРОЛЯ

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### Special Report

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By Konul Gabulzade and Kenley Butler

## Recent Developments in the NIS

### Kyrgyzstan Makes Progress in Developing its National Export Control System

Since the adoption of the law *On Export Control* in January 2003, Kyrgyzstan has taken several actions to further develop its export control system. The Permanent Interagency Working Group of Export Control Experts, established by Government Directive No. 121 of March 17, 2003 to develop the legal framework for the implementation of the new export control law, has submitted several draft pieces of legislation to the government and recommended changes to the structure of the export control system.[1,2]

According to Nikolay Ryaguzov, deputy head of the Directorate for Military-Technical Cooperation at the Kyrgyzstan Ministry of Defense, the Working Group completed the drafting of several pieces of export control implementing legislation in August 2003. Some of the implementing legislation has been approved by the government and submitted to the parliament for further review.[3]

More particularly, the draft statute *On the Issuance of Licenses for Import, Export and Re-export of Commodities on the National Control List That Can Be Used for the Production of Weapons of Mass Destruction (WMD)* establishes a licensing mechanism for controlled goods. The statute was discussed at a meeting of the Economic Policy Council held in Bishkek on July 15, 2003.[4,5] Council members agreed on the need for such a regulation but ruled that the draft statute needed improvements before submission to parliament.[4,5] It is expected, however, that the statute will be adopted as an amendment to the law *On Licensing* in the fall of 2003. [Editor's Note: The law *On Licensing* was adopted by the Legislative Assembly of the Kyrgyzstani Parliament (Zhogorku Kenesh) on February 24, 1997 and was signed into law by Presidential Decree No.12 on March 3, 1997[4].]

According to Marat Usupov, deputy head of the Kyrgyzstani diplomatic mission and minister-counselor at the Embassy of Kyrgyzstan in the United States, licensing of controlled goods currently is performed by the Ministry of External Trade and Industry and Ministry of Defense.[6] The identification of products subject to licensing is based on Government Decree No. 55 of February 6, 1996, *On the Confirmation of Statutes on the Procedure for the Export and Import of Materials and Technologies That Can be Used for Chemical, Missile, and Nuclear Weapons*. This decree established three statutes that provide guidelines for identifying controlled articles. These are the statutes *On Control of the Export of Chemicals, Equipment, and Technologies That Are Used for Peaceful Purposes but Can Be Used for the Creation of Chemical Weapons*; *On Control of the Export of Equipment, Materials, and Technologies That Are Used for the Creation of Missiles*; and *On Control of the Export and Import of Nuclear Materials, Technologies, Equipment, Special Non-Nuclear Materials, Sources of Ionizing Radiation, and Isotopes*.[7]

According to Ryaguzov, the Working Group will develop a unified control list, based on the EU and Kazakhstani control lists, by the end of 2003. Furthermore, in the first half of 2004, the national control list will likely be endorsed by the government and submitted to the Legislative Assembly for approval.[3]

On August 18-23, 2003, during a seminar in Bishkek organized by the U.S. Department of Commerce and the Kyrgyzstani Ministry of Foreign Affairs to review Kyrgyzstan's export control legal framework and export control list, Working Group members had the opportunity to elicit comments, recommendations, and suggestions from their Kazakhstani and U.S. counterparts on the draft export control implementing legislation.[3,8] The Working Group took their feedback into consideration, and at present some of these documents, such as the statutes *On the Implementation of Export Control Procedures in the Republic of Kyrgyzstan* and *On the Licensing Procedure for the Transit of Controlled Commodities* are under interagency review.[3] According to Usupov, in the revised versions of these statutes the Ministry of Foreign Affairs along with the Ministry of Defense and the Ministry of External Trade and Industry are expected to be among the main government agencies in the field of export control that will participate in the licensing process. This would be the first time in its history the Ministry of Foreign Affairs performed this function.[6]

In addition to developing this legal framework, the Working Group also suggested some modifications to the structure of the export control system of Kyrgyzstan. On August 14, 2003, President Askar Akayev signed Edict No. 265, drafted by the Working Group, *On Measures for the Further Development of the Military-Technical Cooperation of the Republic of Kyrgyzstan with Foreign Countries and the Implementation of a National System of Export Control*. Edict No. 265 re-names the Commission on Military-Technical Cooperation into the Commission on Military-Technical Cooperation and Export

Control, and expands its scope of responsibilities to include the following functions: oversight of the implementation of international treaties undersigned by the Republic of Kyrgyzstan in the field of the nonproliferation of WMD and means of their delivery; coordination of the activities of government agencies and businesses engaged in foreign economic activities; resolution of issues related to the export, import, and re-export of controlled commodities included in the national control list.[3] The chairman of the commission is the prime minister of Kyrgyzstan, Nikolay Tomofeevich Tanayev. The other members of the commission are:

- Secretary of the Security Council, M. Ashirkulov
- Minister of Defense, E.T. Topoyev
- Minister of Foreign Trade and Industry, S.M. Jienbekov
- Minister of Foreign Affairs, A.Ch. Aitmatov
- Minister of Internal Affairs, B.Zh. Subanbekov
- Minister of Finances, B.E. Abildayev
- Minister of Ecology and Emergencies, S. Chyrmashev
- Chairman of the National Security Service, K. Imankulov
- Chairman of the Border Guard Service, K. Sadiyev
- Director of the Department of Customs Service under the Committee on Revenues at the Ministry of Finances, Z. Malabekov [3]

Sources: [1] Marat Usupov, "Export Control Law Adopted in Kyrgyzstan," *NIS Export Control Observer*, No. 3, March 2003, p.2, <<http://cns.miis.edu/nis-excon>>. [2] Nikolay Ryaguzov, "Export Control Working Group Formed in Kyrgyzstan," *NIS Export Control Observer*, No. 4, April 2003, pp. 7-8, <<http://cns.miis.edu/nis-excon>>. [3] CNS communication with Mr. Nikolay Ryaguzov, deputy head of the Directorate of Military-Technical Cooperation of the Ministry of Defense of Kyrgyzstan, September 24, 2003. [4] "Kyrgyzstan uzhestochit kontrol za eksportom i importom produktzii, ispolzuyemoy dlya sozdaniya OMU" [Kyrgyzstan will toughen control over the export and import of commodities that can be used for the production of WMD], Xinhua news agency, July 15, 2003; in Integrum Techno, <<http://www.integrum.com>>. [5] "V Kirgizii gotovyat noviy zakon o kontrole za produktsiyey dvoynogo naznacheniya" [Kyrgyzstan is drafting new law on control of the dual-use goods], Kyrgyz-Press News Agency, July 17, 2003, <<http://www.kyrgpress.org.kg/03/Jul/17/7.htm>>. [6] CNS e-mail communication with Mr. Marat Usupov, deputy head of the Kyrgyzstani diplomatic mission and the minister-counselor of the Embassy of Kyrgyzstan in the United States, September 28, 2003. [7] CNS conversation with Kyrgyzstani government officials, September 22, 2003. [8] See the article in this issue: "Seminar on Export Control Regulations and National Control List Held in Kyrgyzstan, p. 17, <<http://cns.miis.edu/nis-excon>>.

## **Georgia to Adopt Regulation on Import/Export of Biological Material**

*By Lela Bakanidze, Head of the Department of Bioterrorism Threat Reduction and International Relations  
National Center for Disease Control and Medical Statistics of Georgia*

The Department of Biosafety and Threat Reduction of the National Center for Disease Control and Medical Statistics (NCDC) of Tbilisi, Georgia, has developed new guidelines to regulate work with dangerous pathogens and their import and export. The *Guidelines for Import to Georgia, Export from the Country, Transfer, Containment, and Work with Causative Agents of Infectious Diseases, Cultures of Mycoplasma, and Genetically Modified Materials, Toxins, and Poisons of Biological Origin* were issued under authority provided by the law *On Health Care* of December 10, 1997 and the law *On Export Control of Armament, Military Technology, and Dual-use Products* of April 29, 1998, and are based on the World Health Organization *Guidelines for Safe Transport of Infectious Substances and Diagnostic Specimens* (WHO/EMC/97.3).

The new guidelines consist of 10 chapters, covering the following issues: risk assessment; biosafety levels 1 and 2 laboratories; high containment laboratories – bio-safety level 3; maximum containment laboratories – biosafety level 4; good laboratory practice and technique; biosafety and recombinant DNA technologies; emergency planning and procedures; disinfection and sterilization; and safety procedures for the transport of infectious materials and diagnostic specimens.

Chapter 10 of the new guidelines – *Safe Transportation of Infectious Materials and Diagnostic Specimens* – defines the terms “infectious materials” and “diagnostic specimens” and provides instructions for proper packing, with a description of basic triple packaging requirements for transportation of infectious materials and diagnostic specimens by air, mail, and surface transportation. Chapter 10 also defines the respective responsibilities of the sender, carrier, and addressee.

The new guidelines also clarify the licensing mechanism for the import and export of dangerous pathogens. According to article 77 of the law *On Health Care*, “import to or export from the country of microorganisms causing infectious diseases, their containment and transfer, as well as work with these pathogens can be authorized only by the Ministry of Labor, Health and Social Affairs of Georgia.” In order to receive a license, applicants must apply for a certificate at the National Center for Disease Control and Medical Statistics of Georgia (NCDC), which became Georgia’s National Registry of Pathogens by a February 21, 2003 presidential decree. After registering the pathogens, the NCDC issues a certificate that will allow the Department of Public Health of the Ministry of Labor, Health, and Social Affairs of Georgia to issue a license. Previously, applicants for pathogen export or import licenses were asked to provide such NCDC certificates, but these were not required by law. The new guidelines close this loophole by specifically listing the NCDC certificate as one of the documents required by law in the license application files.

In early September 2003, the Ministry of Health submitted the new regulation for review to all government agencies involved in the licensing process. These include the Ministries of Internal Affairs, Foreign Affairs, Economics, Trade and Industry, State Security, Transport and Communications, and Justice. After approval by these agencies, the regulations will enter into force by order of the Minister of Labor, Health, and Social Affairs. It is expected that the approval process will take approximately two months.

### **Russia Adopts Decree on Cross-Border Waste Transportation**

On July 17, 2003, Prime Minister of the Russian Federation Mikhail Kasyanov signed Decree No. 442 *On the Transboundary Movement of Wastes* to facilitate the implementation of the law *On Wastes from Production and Consumption* and Russia’s international obligations under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. The decree approves regulations regarding cross-border movements of waste and establishes import/export procedures for hazardous wastes. Licensing of hazardous waste export, import and transit is to be carried out by the Ministry of Economic Development and Trade (MEDT) based on authorizations made by the Ministry of Natural Resources (MNR) and its regional affiliates.

The government instructed the MNR to develop and adopt, in consultation with the Ministry of Finance and MEDT, a set of implementing regulation within three months. These include: regulations for ensuring safeguards during the transboundary movement of hazardous and (or) other wastes; forms of notification of the transboundary movement of wastes; and regulation on the movement of waste. In addition, the government charged several government agencies – the MNR, Ministry of Civil Defense, Emergency Situations, and Disaster Response, Ministry of Transport, Ministry of Railways, Ministry of Health, State Customs Committee, and Federal Mining and Industry Inspectorate of Russia – with developing and adopting in a three-month period regulation on the control and oversight over the transboundary movement of wastes. The State Customs Committee is tasked with the collection and annual submission to the MNR and MEDT of summary data on imports, exports, and transit of hazardous wastes. The MNR and MEDT will use the data to write reports to be submitted to the Secretariat of the Basel Convention.

The decree will enter into force three months after the date of its official publication (i.e., July 24, 2003), and will supersede previous regulation, namely Government Decree No. 766 of July 1, 1996 *On State Regulation and Control of Transboundary Movements of Hazardous Wastes*.<sup>[1]</sup>

*Editor's Note: Russia ratified the Basel Convention, previously signed by the USSR on March 23, 1990, by law No. 49-FZ of November 25, 1994.*

Source: [1] "Postanovleniye Pravitelstva Rossiyskoy Federatsii ot 17 iyulya 2003 g. No. 442 'O transgranichnom peremeshchenii otkhodov'" [Government Decree No. 442 of July 17, 2003 *On Transboundary Movement of Wastes*] *Rossiyskaya gazeta*, No. 147 (3261), July 24, 2003; in Integrum Techno, <<http://www.integrum.com>>.

## **Lithuania Installs Automated Customs Declaration System**

On July 22, 2003, Lithuanian radio aired an interview with Rimutis Klevecka, acting director of the Lithuanian Customs Department, which is under the Ministry of Finance, who announced that the Department, in cooperation with the Transekspeditsiya freight forwarding company, has begun to install an automated customs declaration system. This system, known as ASYCUDA, or the Automated System for Customs Data, is expected to speed up customs operations and help prevent smuggling. The software is currently being installed at companies operating in the area covered by the Vilnius territorial customs unit, which will allow every company in the area to submit declarations to the Customs Department electronically. According to Klevecka, the installation of ASYCUDA not only simplifies customs operations but also saves commercial enterprises considerable time if they choose to fill in electronic declarations.

ASYCUDA automatically directs goods either to a green channel, where declarations and goods are not checked, a yellow channel, where only documents are checked, or a red channel, where customs will conduct an inspection of shipped goods. The channeling by ASYCUDA reflects assessments of possible risks posed by various carriers, goods, countries of origin, etc. The customs' violation prevention teams carry out those risk assessments and enter them into the system prior to the channeling.

The introduction of electronic declaration procedures is expected to bring the Lithuanian business environment closer to Western standards and improve customs-business relations, which is especially important in view of the forthcoming accession of Lithuania to the European Union.

Source: Lithuanian Radio, July 22, 2003; in "Lithuanian customs launches automated declaration system," FBIS Document CEP20030723000061.

## **Changes in NIS Export Control Personnel**

### **Ukrainian President Reshuffles Council on National Security and Defense**

On July 20, 2003, President Leonid Kuchma appointed Anatoliy Vlasyuk head of the Department of Information and Analysis of the Presidential Committee on Military and Technical Cooperation and Export Control Policy, which is part of the Council on National Security and Defense (CNSD).[1] The Council develops national policies with respect to sales of weapons and dual-use goods and technologies, and makes decisions on controversial arms exports.

On the same day, President Kuchma dismissed the following two individuals from their positions at the CNSD: Valentin Bondarenko, head of the Department of Energy Security and Nuclear Policy, and Nikolay Oleksienko, first assistant to the CNSD secretary.[2]

On September 2, 2003, Vladimir Radchenko was transferred from his position as chairman of the Security Service of Ukraine to become the new CNSD secretary, thus replacing Yevgen Marchuk, who had been appointed Minister of Defense on June 25, 2003.[3] On September 4, Igor Smeshko was transferred from his position as first deputy secretary of the CNSD to take Radchenko's former position in the Security Service of Ukraine.

*Editor's Note: Smeshko's appointment as Chairman of the Security Service may have serious implications for Ukraine's decision-making in the area of export control. Smeshko remains Chairman of the Committee on Military and Technical Cooperation and Export Control Policy at the CNSD, which gives him power to make decisions on controversial arms and dual-use sales. As head of the Security Service, he is responsible for checking foreign end-users and influences licensing decisions at the State Service on Export Control (Ukraine's licensing agency). Moreover, Ukraine's major arms trading company Ukrspetseksport employs a number of former Security Service officials with whom Smeshko has good connections. As a result,*

*Smeshko will be able to exert considerable influence on the decision-making process related to the transfer of arms and strategic goods and technologies. It remains to be seen, whether he will use his exclusive powers to bring the country's export control mechanism into order, or to promote arms and dual-use exports, some of which might be illegitimate or of proliferation concern.*

Sources: [1] "Vlasyuk naznachen rukovoditelem informatsionno-analiticheskogo upravleniya apparata komiteta po politike voyenno-tekhnicheskogo sotrudnichestva i eksportnogo kontrolya pri prezidente" [Vlasyuk appointed head of the Department of Information and Analysis of the Presidential Committee on Military and Technical Cooperation and Export Control Policy], UNIAN, July 20, 2003. [2] "Prezident provel neskolko kadrovyykh perestанovok", [President reshuffles personnel], *Podrobnosti*, July 20, 2003. [3] "Igor Smeshko vozglavil SBU" [Igor Smeshko Is New SBU Head], *Obozrevatel*, September 4, 2003.

## **International Export Control and WMD Security Assistance Programs**

### **Uzbekistan Receives Equipment under EXBS Program**

In the summer of 2003, the United States donated two large installments of equipment and accessories to Uzbekistan as part of the Export Control and Related Border Security (EXBS) program. On July 22, 2003, the State Border Guard Committee of the Republic of Uzbekistan received 146 UAZ off-road vehicles worth \$800,000.[1] According to local press reports, EXBS initially planned to supply Uzbekistan with Hummer vehicles made in the United States. However, it later became clear that the use of Hummers would be complicated under local conditions due to low-quality gasoline and the high cost of spare parts.[1]

One month later, on August 22, 2003, a representative of the U.S. embassy in Uzbekistan, David Michael Reinert, provided the State Border Guard Committee and the State Customs Committee of Uzbekistan with 17 tons of communication equipment worth \$1.8 million, including 3,776 Motorola radios and 708 antennas.[2,3]

The United States is expected to provide Uzbekistan with an additional \$6 million worth of assistance this year through the EXBS program, including 6,000 radios, 45 trucks, and a large quantity of night vision goggles.[1] In 2004, the United States plans to provide Uzbekistan with two helicopter simulators and two motor boats, which will allow Uzbekistan to strengthen the protection of its border with Afghanistan along the Amudarya river.[1]

Sources: [1] "SShA namereny udarit po uzbekskomu bezdorozhyu rossiyskoy tekhniko" [U.S. intends to beat impassable Uzbekistani roads with Russian vehicles], *Uzland*, July 22, 2003, <<http://www.uzland.info>>. [2] *Radio Tashkent International*, August 22, 2003, <[http://ino.uzpak.uz/rus/news\\_rus/news\\_rus\\_2208.html](http://ino.uzpak.uz/rus/news_rus/news_rus_2208.html)>. [3] "SShA peredali Tamozhennomu komitetu i Komitetu po okhrane granitsy sredstva svyazi" [U.S. provided the Customs Committee and Border Guard Committee with communications equipment], *UzA*, August 24, 2003, <<http://www.uza.uz/society/2003/8/13.shtml>>.

## **Embargoes and Sanctions Regimes**

### **North Korea Said to Ready Long-Range Missile Exports, as U.S. Government Imposes Additional Sanctions on North Korean Missile Firm**

On July 25, 2003, the U.S. Department of State announced that it had imposed sanctions on the North Korean company Changgwang Sinyong Corporation on July 17, 2003 for its involvement in the transfer of Missile Technology Control Regime (MTCR) Category 1 Scud missiles to Yemen. The sale was made in December 2002.[1,2] [*Editor's Note: MTCR Category 1 items include complete missile systems or unmanned air vehicles that are capable of delivering 500 kg (1,102 pounds) of payload to a range of at least 300 km (186 miles) [3]*] The sanctions were imposed pursuant to the *Arms Export Control Act* of 1976 and *Export Administration Act* of 1979.[2] Under the sanctions, U.S. companies are barred from selling to Changgwang Sinyong all items on the U.S. Munitions List and other items subject to licensing. In addition, U.S. government contracts with the North Korean company and the import of products produced by Changgwang Sinyong are prohibited.[2] The Helms Amendment to the *Export Administration Act* also requires that similar sanctions be imposed on the North Korean government's activities related to the development or production of missile equipment or technology, high-tech electronics, space systems or equipment, and military aircraft, since North Korea is "a country with a non-market economy that is not a

former member of the Warsaw Pact.”[1,2,4] The sanctions entered into effect immediately for a period of three years and eight months, until March 2007.[1]

The sanctions announced on July 25 marked the third time the U.S. government took punitive measures against the company in 2003. Previous sanctions during this year were imposed on July 3, 2003, for transfers to Iran that “could make a material contribution to weapons of mass destruction or missiles,”[1,5] and on March 24, 2003, for the transfer of MTCR Category 1 items to Khan Research Laboratories in Pakistan.[6] Prior to that, the United States had applied sanctions against the North Korean entity in 1996, 1998, 2000 and 2001 for violations of various missile-specific export regulations.[5,7] Changgwang Sinyong was also sanctioned by the U.S. government in August 2002, for the sale of Scud ballistic missiles to Yemen, a transaction that took place during the Clinton era (1993-2001).[6,8] The exact date of the underlying incident remains classified information.[9]

The imposition of additional sanctions on the North Korean government and the Changgwang Sinyong Corporation is largely a symbolic gesture, as there are almost no trade relations between the United States and North Korea.[5,6,10] The complex web of overlapping sanctions provided for in the *Arms Export Control Act* and *International Traffic in Arms Regulation* already prohibit import and export of defense-related material to North Korea.[6]

Even as the new sanctions were being imposed, however, an August 2003 report published in the Japanese conservative weekly *Sankei* indicated that Changgwang Sinyong may be involved in an additional deal with Iran, which entails the export of North Korean Taepodong-2 long-range ballistic missiles to that country. The Taepodong-2 has never been tested, but is estimated to have a range of 10,000 km, giving it the potential to reach targets throughout Western Europe from Iran. According to the Japanese daily, which quotes Japanese defense sources familiar with North Korean affairs, the two countries have been negotiating the deal for almost a year, and they are expected to reach an agreement in mid-October 2003. Under that agreement North Korea would send Taepodong-2 missile components to Iran for their subsequent assembly there with the assistance of North Korean missile experts, who will be dispatched to transfer technical knowledge to their Iranian counterparts. Changgwang Sinyong is apparently playing an important role in this deal, handling relations with Iranian military and aerospace industry officials.[7] Other press reports also indicate that a resort on the Caspian Sea has been set aside to accommodate the increasing number of North Korean specialists who are active in Iran’s nuclear and ballistic missile projects.[11, 12]

*Editor’s Note: In December 2002, two Spanish naval vessels, acting on U.S. intelligence data, stopped and searched an unflagged merchant ship off the Yemeni coast. The ship, headed from North Korea to Yemen, contained a shipment of 15 Scud missiles that was temporarily seized by the Spanish navy. The ship and its cargo were allowed to continue after the Bush Administration determined that it lacked the authority under international law to detain the vessel, and after Yemen assured the U.S. government that the missiles would be used for defensive purposes only.[1,13]*

Sources: [1] “State Department Regular Briefing by State Department Spokesman Richard Boucher,” Federal News Service, July 25, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] “Bureau of Nonproliferation; Imposition of Missile Proliferation Sanctions Against a North Korean Entity,” Bureau of Nonproliferation, U.S. Department of State, Public Notice 4418, *Federal Register*, Vol. 68, No. 143, p. 44136, <<http://www.gpoaccess.gov/fr/index.html>>. [3] Missile Technology Control Regime (M.T.C.R.) Equipment, Software and Technology Annex, May 15 2003, p.10; MTCR official website, <<http://www.mtcr.info/english/Annex2003.pdf>>. [4] Jonathan Yang, “U.S. Imposes Sanctions on China, North Korea,” *Arms Control Today*, September 2003, <[http://www.armscontrol.org/act/2003\\_09/Chinanorthkoreasanctions.asp](http://www.armscontrol.org/act/2003_09/Chinanorthkoreasanctions.asp)>. [5] “US slaps sanctions on North Korea over Yemen missile sale,” Agence France Presse, July 25, 2003, in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [6] Rose Gordon, “North Korea, Pakistani Lab Sanctioned for Proliferation,” *Arms Control Today*, May 2003, <[http://www.armscontrol.org/act/2003\\_05/missilesanctions\\_may03.asp](http://www.armscontrol.org/act/2003_05/missilesanctions_may03.asp)>. [7] “NKorea plans missile exports to Iran, joint nuclear development: report,” Agence France Presse, August 6, 2003, in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [8] Mike Nartker, “North Korea: United States Sanctions North Korean Entity,” Global Security Newswire, July 25, 2003, <[http://www.nti.org/d\\_newswire/issues/thisweek/2003\\_7\\_31\\_misp.html](http://www.nti.org/d_newswire/issues/thisweek/2003_7_31_misp.html)>. [9] CNS phone conversation with U.S. Department of State official, September 17, 2003. [10] “US imposes new sanctions on NKorea for missile sales,” AFX News Limited, July 25, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [11] “Report says North Koreans in Nuclear Projects Living Near Caspian,” Iranian Students’ News Agency (ISNA), August 5, 2003; in BBC Monitoring International Reports; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [12] Douglas Frantz, “Iran Closes in on Ability to Build a Nuclear Bomb,” *Los Angeles Times*, August 4, 2003, p. 1; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [13] “United States

## Illicit Trafficking in the NIS

### Kazakhstani Security Service Prevents Attempt to Sell Radioactive Material

In July 2003, Kazakhstan's Committee for National Security (KNB) prevented an attempt to sell a radioactive substance in Pavlodar, northern Kazakhstan.[1] According to media reports, two Pavlodar natives met at the city railway station with a former Pavlodar resident, now living in Russia's Saratov Oblast, to sell him an ampoule allegedly containing plutonium-239 for \$20,000. All three were arrested by KNB officers during the attempted transaction.[2] The KNB was aware of the illegal transaction beforehand and was conducting outdoor surveillance of the suspects.[1] Preliminary tests reportedly indicated that the substance contained in the ampoule was indeed plutonium-239.[1,2] In accordance with Article 247 of the Criminal Code of the Republic of Kazakhstan *Illegal Handling of Radioactive Materials*, KNB launched an investigation that was expected to be completed in September 2003.[1,3]

Sources: [1] "V Pavlodare pri popytke prodazhi izotopa plutoniya-239 sotrudniki KNB zaderzhali 3 cheloveka" [KNB operatives detained three people attempting to sell plutonium-239 isotope in Pavlodar], *Kazakhstan Today*, July 30, 2003; in *Gazeta.kz*, <<http://www.gazeta.kz/art.asp?aid=31949>>. [2] Andrey Prokopyev, "Da u nas etogo plutoniya - prosto zavalis!" [We have plenty of this plutonium!], *Komsomolskaya pravda* (Kazakhstani edition), August 1, 2003, No. 139/31 (379), p. 5. [3] "V KNB utverzhdayut, chto radioaktivnyy material, izyaty v Pavlodare, primenyayetsya v sisteme pozharnoy signalizatsii" (KNB asserts that the radioactive material seized in Pavlodar is used in smoke detectors), Kazinform news agency, July 30, 2003; in KNB official website, <[http://www.knb.kz/index.php?parent\\_id=1016251312&chapter=1059641439](http://www.knb.kz/index.php?parent_id=1016251312&chapter=1059641439)>.

### Authorities Prevent Attempts to Sell Cesium, Uranium in Russia's Far East

In July 2003, local authorities in the Russian Far East announced the success of operations that prevented illegal sales of cesium and uranium-238.

On July 22, 2003, railway police arrested a local man in the cargo area of the Spassk-Dalniy train station (three hours north of Vladivostok by car) who was trying to sell a container of radioactive cesium for \$1,500. During a subsequent search of the suspect's apartment, police found two additional cesium-filled containers similar to that found at the time of his arrest. According to police, the suspect once served at an aircraft depot, where he may have stolen the cesium.[1,2,3] [Editor's Note: *Spassk-Dalniy is the site of a large military base, which may be the source of the cesium.*][4] The three containers are now being held at the railway police office at the Spassk-Dalniy station.[1,2,3] Publicly available sources did not note which isotope of cesium was involved, or the amount of radiation emitted by the containers.

A few days later, at a briefing organized on July 25, 2003, in Vladivostok, Russia, Roman Kuzin, department head of the Primorye Internal Affairs Department Directorate for the Fight against Organized Crime (DFOC) announced that during a joint operation the DFOC and the Federal Security Service (FSB) had arrested an individual who was attempting to sell 4.5 grams of uranium-238 in Ussuriysk, Primorye. According to Kuzin, the uranium was seized and the suspect was charged with the illegal trafficking of radioactive materials. According to Russian media sources, police indicated that the incident took place the week before the July 25 briefing.[5] However, a summary of DFOC activities, which appeared in the July 30, 2003 edition of the Vladivostok newspaper *Yezhednevniye novosti*, indicated that authorities arrested a group of individuals in Ussuriysk in April 2003 in connection with the attempted sale of 4.5 grams of uranium-238.[6] It is unclear if this was a separate incident or if the seizure announced at the July briefing actually took place in April.

*Editor's Notes: Depending on its specific attributes, cesium may be suitable for use in a radiological dispersal device or "dirty bomb." Uranium-238, the primary component (99.3%) of natural uranium, has a very long (4.5 billion year) half-life and thus poses a very minor radiation hazard. It is impossible to know from the information provided in the media reports if the 4.5 grams of uranium-238 was natural or depleted. Depleted uranium is commonly used in non-nuclear applications, such as ballasts in sailboats and aircraft, as well as shielding for x-ray machines. While depleted uranium and natural uranium can be*



used for the production of plutonium by irradiation, it would require several orders of magnitude more material than the 4.5 grams in this case.

*Article 188, Section 2 of the Russian Criminal Code bans illegal possession of radioactive materials and carries a possible sentence of seven years in prison. Article 220, Section 2 deals with the crime of stealing radioactive materials, which is punishable by 5-10 years in prison.*

Sources: [1] "Vtoraya 'sdelka' za nedelyu" [Second transaction in a week], Sobkor.ru, July 26, 2003; in Integrum Techno, <<http://www.integrum.com>>. [2] "Zhitel Primorya pytalsya prodat konteyner s tseziem" [Primorye resident tried to sell container of cesium], Lenta.ru, July 23, 2003; in Integrum Techno, <<http://www.integrum.com>>. [3] "Na stantsii Spassk-Dalniy (Primorskiy kray) byl zaderzhan mestnyy zhitel, pytavshiy prodat konteynery s radioaktivnymi veshchestvami" [Local resident arrested at Spassk-Dalniy station for attempting to sell containers of radioactive material], Vostok-Media, July 23, 2003; in Integrum Techno, <<http://www.integrum.com>>. [4] "Visit to Spassk Dalniy," U.S. Department of Commerce, December 7, 1998, BISNIS website, <<http://www.bisnis.doc.gov/bisnis/country/981207ru.htm>>. [5] "V primorskoy gorode Ussuriyske presechena popytka sbyta radioaktivnogo veshchestva 'uran-238'" [Attempt to sell radioactive substance U-238 prevented in Primorye town of Ussuriysk], ITAR-TASS, July 25, 2003; in Integrum Techno, <<http://www.integrum.com>>. [6] Aleksandr Ognevskiy, "Orgprestupnost perekvalifitsiruyetsya" [Organized crime is training for a new profession], *Yezhednevniye novosti*, July 30, 2003; in Integrum Techno, <<http://www.integrum.com>>.

### **Container with Cesium-137 Found in Ukraine**

On July 23, 2003, a container with cesium-137 was found on the roadside near the village of Uralo-Kavkaz (Lugansk Oblast), Ukraine. The container was marked with a producer code (BGI-90AP1V2, N 51) and a date of manufacture (1984).[1]

According to a statement from the press service of the Ukrainian Ministry of Emergency Situations, the container with the radioactive substance was seized and no longer threatens the local population and environment. However, the quantity of material seized and the level of radioactivity have not been specified. Authorities from the Main Department for Emergency Situations of Lugansk Oblast have launched an investigation into the incident.[1]

This is the second incident involving cesium to take place in Ukraine in one month's time. The *NIS Export Control Observer* reported in its August issue the seizure of a cesium-filled container on June 24, 2003.[2]

Sources: [1] "V Luganskoy oblasti nayden konteyner s tseziyem" [A container with cesium found in the Lugansk oblast], Obozrevatel information agency (Kyiv), July 26, 2003; in Integrum Techno, <<http://www.integrum.com>>. [2] "Cesium Shipment Detained in Ukraine," *NIS Export Control Observer*, No. 8, August 2003, p. 10, <<http://cns.miis.edu/nis-excon>>.

### **Cesium Dealers Convicted in Belarus**

On June 12, 2003, the Leninsk district court of the city of Bobruysk, Belarus, sentenced four city residents to jail terms from two to four years for the attempted illegal sale of radioactive material.[1,2] The State Security Committee (KGB) of Belarus arrested the four men in Bobruysk in February 2003 during an undercover operation in which the accused attempted to sell two containers of the radioactive isotope cesium-137 to a KGB agent for \$500,000. The sealed containers emitted radiation that exceeded the acceptable norm by 20 times.[3,4]

The investigation revealed that the illegal material was brought to Belarus by an unnamed Russian citizen, whose whereabouts is also unknown. After examining the containers, experts from the Associated Institute of Energy and Nuclear Studies (Sosny) of the Belarusian National Academy of Sciences concluded that the seized cesium-137 is, most probably, used in radioisotope devices. However, due to the absence of any identification marks on the containers and accompanying technical documentation, the decision was made to bury the containers as radioactive waste.[1,2]

Sources: [1] Vyacheslav Tkach, "Torgovtsy tseziyem zarabotali srok" [Cesium sellers earned a jail term], *Komsomolskaya pravda v Belorussii*, June 14, 2003, <<http://minkp.kp.ru/2003/06/14/new1946/>>. [2] Pavel Minchenko, "Torgovtsy tseziyem poluchili po zaslugam" [Cesium sellers got what they deserved], *Sovetskaya Belarus*, June 14, 2003; in Integrum Techno, <<http://www.integrum.com>>. [3] Pavel Minchenko, "Pod prikrytiyem legendy" (Under the guise of the legend), *Sovetskaya Belarus*, February 12, 2003; in Integrum Techno, <<http://www.integrum.com>>. [4] Olesya Luchaninova and Vera Pollo, "V Belorussii zaderzhany chetvero grazhdan pri popytke sbyt dva konteynera s tseziyem-137" [Four civilians detained in Belarus while attempting to sell two containers with cesium-137], RIA Novosti, February 13, 2003; in Integrum Techno, <<http://www.integrum.com>>.

## Summaries from the NIS Press

### Georgia Opens 10 New Posts on Border with Russia

According to the Georgian State Border Guard Department, from March to July 2003, Georgia opened 10 new posts on its border with Russia. Most of the new posts are in regions of tension, such as border areas with Chechnya, Dagestan, Ingushetia, and Ossetia. During the same period, the border department also reinforced five existing posts on the Russian border. Representatives of the border service noted that these measures are aimed at preventing the illegal crossings of armed groups or individuals.[1]

Source: [1] "Za posledniye pyat mesyatshev Gruzziya otkryla 10 novykh pogranzastav na granitse s Rossiyei" [Georgia opens 10 new border posts with Russia in past five months], ITAR-TASS, July 29, 2003; in Integrum Techno, <<http://www.integrum.com>>.

### Radioactive Railcar Detained on Belarusian-Ukrainian Border

On July 27, 2003, Belarusian customs officials at the Kalinkovichi railway station (Gomelsk Oblast), Belarus, detained a railway flatcar with two 20-metric ton containers while inspecting a train originating from Ukraine.[1] According to the Ministry of Emergency Situations of Belarus, a DRS-RM1401 radiation survey meter positioned 10 cm from the containers' wall indicated a radioactivity level of 87,000 microrentgens per hour. (Natural background radiation is about 20 microrentgens per hour.) However, the level of radioactivity at 10 meters from the flatcar was within the normal range.[2] The flatcar with the containers was detached from the train and sent back to the Korosten railway station (Zhitomir Oblast), Ukraine. Experts from the Ukrainian Department of Emergency Situations and Protection of the Population from Consequences of the Chernobyl Disaster and the Sanitary and Epidemiological Service (SES), as well as officers of the railway station police and the Security Service of Ukraine were immediately called to the station.[3]

The Investigation conducted by Ukrainian authorities indicated that the containers held ionizing radiation sources based on cobalt-60, the export of which had been properly licensed. It was established that the documents accompanying the cargo, destined for the Kolodishchi railway station near Minsk and ultimately the Minsk-based Russian-Belarusian joint venture Izotopnyye Tekhnologii, were in order, and that the Committee on Oversight of Safe Conduct of Operations in Industry and Nuclear Power Engineering of the Belarusian Ministry of Emergency Situations (Promatomnadzor) had issued a license for the import of the sources to the country.[4] The flatcar had been returned to Ukraine because Promatomnadzor's license was not at the Kalinkovichi railway station customs post when the train was passing through.[1]

SES experts and personnel from the Ukrainian enterprise Izotop, the producer of the sources, jointly measured the level of radioactivity and determined that the radioactivity emitted by the containers was significantly lower than initially thought and was within the acceptable range as defined by the *Rules of Nuclear and Radiation Safety during the Transportation of Radioactive Materials* issued by the State Nuclear Regulation Committee of Ukraine on May 23, 2001.[3] The inexplicably high level of radioactivity recorded on July 27 had actually been caused not by high emission levels, but by a defect in the meter used by the Belarusian customs officials.[4] After these clarifications, the railcar with the containers was sent back to its destination.[3]

Sources: [1] "Belarus vozvratila konteynery iz-za byurokraticheskoy provolochki" [Belarus returns containers due to the bureaucratic foot-dragging], Obozrevatel information agency, July 29, 2003; in Integrum Techno, <<http://www.integrum.com>>. [2] "V Belarusi zaderzhan vagon s radioaktivnym gruzom, pribyvshim iz Ukrainy" [Railcar with radioactive cargo, which arrived from Ukraine, detained in Belarus], Podrobnosti information service (Ukraine), July 28, 2003; in Integrum Techno, <<http://www.integrum.com>>. [3] "Radioaktivnyy gruz" [Radioactive cargo], Official website of the city of Korosten, July 28, 2003, <[www.kr.com.ua](http://www.kr.com.ua)>. [4] Natalya Artemchik, "Tamozhnya zaderzhala na granitse radioaktivnyy vagon" [Customs detains a radioactive railcar at the border], *Komsomolskaya pravda v Belorussii*, July 29, 2003, <<http://minsk.kp.ru/2003/07/29/new3222/>>.

## International Developments

### Missing Iridium Partly Recovered in Ecuador

On December 9, 2002, five pieces of equipment containing iridium-192, each about the size of a car battery because of depleted uranium casing, were stolen from a bunker at the Techint company's camp in the city of Quininde in the northern oil-producing province of Esmeraldas, Ecuador. The equipment had been purchased earlier by Interinspec, a Techint subcontractor, under a license from the Ecuadorian Atomic Energy Commission (CEEA). The equipment was used by Techint to radiograph welds in oil pipelines for quality control purposes. After the theft, officially reported to the police on December 10, 2002, the thieves demanded a ransom from Interinspec for the return of the sources. According to the company's lawyer, Interinspec paid a ransom of \$1,000 per source. The press however, reported a ransom of about \$15,000. After the ransom payment was paid for three sources, the thieves advised the company of the location of the sources. In January 2003, when Interinspec personnel looked for the sources, they found only three of them in the specified location. The other two sources were retained by the thieves in order to make sure that Interinspec did not involve the police. To date, the location of the other two sources remains unknown.[1,2,3,4]

CEEA Chairman Victor Hugo Munoz denounced the ransom payment by Interinspec as a mistake since it promoted a "black market in radioactive sources." He also suggested that, although the stolen radioactive material cannot be used to produce nuclear weapons, the devices, which contain small amounts of iridium-192, could be used by terrorists in the manufacture of a "dirty bomb." Munoz added that exposure to iridium-192, if it is removed from the depleted uranium casing, could cause severe burns, tissue destruction, and genetic damage.[1,2]

After unsuccessful attempts to recover the remaining two devices, the authorities introduced in May 2003 a state of "radiological emergency," which, at the time, was not disclosed to the public to avoid panic. On June 2-6, 2003, a team from the International Atomic Energy Agency visited Ecuador to trace the devices and assess the risks.[1,2] The investigation revealed that Interinspec had in fact lost two more radioactive devices in addition to the five stolen in December 2002. One had been misplaced in eastern Ecuador, and subsequently found, while the other had fallen from the hands of Interinspec workers during its transfer in a canoe that ran aground near the shores of the Quininde River on January 9, 2003. The CEEA subsequently withdrew its license from Interinspec and imposed a \$3,000 fine on the company.[5,6]

On August 25, 2003, Ecuadorian authorities launched a search for the device lost on January 9, 2003. Four divers from the Esmeraldas Northern Operations Command searched the Quininde River, while 50 soldiers from the 12th Marine Infantry Battalion cordoned off an area of the river approximately 3 km long and 300 meters wide to search the river banks. Topographic experts prepared an aerial map of the search area using a naval helicopter.[5,7,8] Marines even built an artificial dike to ease the river's currents and removed sediment from the bottom of the river.[9] To calm the 70,000 inhabitants of Quininde, who feared the possibility of massive radioactive contamination, the CEEA conducted tests that showed no traces of contamination.[5,10] The province and city authorities filed lawsuits against Techint, Interinspec, and OCP [Heavy Crude Pipelines] Ltd., the company which operates the pipelines, for negligence in the handling of radioactive sources. Also, according to CEEA Technical Director Marco Bravo, Techint did not have the physical safeguards system required to protect the devices from theft.[1] The Quininde city council created a special commission to investigate the recent deaths of three children on the suspicion that they could have been caused by radioactive emissions.[7,8]

On September 5, 2003, the missing device was found at the bottom of the Quininde River. Victor Hugo Munoz announced that the container with iridium no longer belonged to Interinspec, and would be placed at a special site in Quito, Ecuador's capital, under CEEA supervision. The CEEA also decided to keep the radioactive emergency in place until the two other stolen devices are found.[11,12]

Sources: [1] "Theft of Nuclear Material Poses Threat to Country," *Quito El Comercio*, July 18, 2003; in "Ecuador Press Highlights," FBIS Document LAP20030718000053. [2] ACANEFE Agency, July 18, 2003; in "Ecuador Worried About Missing Radioactive Material," FBIS Document LAP20030718000114. [3] "Theft, Ransom of Radioactive Sources Disclosed at International Export

Control Forum”, *NIS Export Control Observer*, No. 6, June 2003, pp. 6-7, <<http://cns.mii.edu/nis-excon>>. [4] CNS correspondence with IAEA official, September 25, 2003. [5] Report by Manuel Togo, *Guayaquil El Universo*, August 25, 2003; in “Ecuador: Navy Searching for Radioactive Material at Bottom of Quininde River,” FBIS Document LAP20030825000015. [6] “Search for Radioactive Capsule to Continue for 72 Hours,” *Quito El Comercio*, September 2, 2003; in “Ecuador Press Highlights,” FBIS Document LAP20030902000060. [7] Report by Manuel Togo, *Guayaquil El Universo*, August 26, 2003; in “Ecuador: Search for Radioactive Capsule Begins on 26 Aug.” FBIS Document LAP20030826000045. [8] Report by Manuel Togo, *Guayaquil El Universo*, August 27, 2003; in “Ecuador: Navy Divers Find Pieces of Missing Radioactive Container,” FBIS Document LAP20030827000052. [9] Manuel Togo, “Search for Radioactive Capsule Fails,” *Guayaquil El Universo*, September 1, 2003; in “Ecuador Press Highlights,” FBIS Document LAP20030901000018. [10] “CEEA Says Radioactive Container Poses No Threat to Quininde River,” *Guayaquil El Universo*, September 3, 2003; in “Ecuador Press Highlights,” FBIS Document LAP20030903000064. [11] Manuel Togo, “Quininde River Deviated to Facilitate Search for Radioactive Capsule,” *Guayaquil El Universo*, August 28, 2003; in “Ecuador Press Highlights,” FBIS Document LAP20030828000075. [12] “Radioactive Emergency Not Yet Lifted in Quininde,” *Guayaquil El Universo*, September 5, 2003; in “Ecuador Press Highlights,” FBIS Document LAP20030905000065.

### **Taiwanese Authorities Seize Cargo of North Korean Freighter**

According to media reports, on August 8, 2003, customs officials at the Taiwanese seaport of Kaohsiung detained for inspection the 6,500-ton freighter *Be Gaehung*, which arrived at port on August 7 from Bangkok, Thailand, to unload 2,000 tons of aluminum powder.[1,2] Prior to the freighter's arrival, Taiwanese authorities were informed by U.S. intelligence that the freighter might be carrying approximately one ton of aluminum hydroxide compound, or hydrafil, destined for North Korea. While hydrafil has civilian uses, it may also be used to manufacture the outer shells of missiles.[1,3] The detention was triggered when the crew refused to allow aboard officials from the Kaohsiung Customs Bureau (KCB) of the Taiwanese Ministry of Finance and representatives of the National Security Council of Taiwan.[1,4]

A subsequent search of the freighter resulted in the discovery of 158 barrels (about 40 tons) of phosphorus pentasulfide, which is included on the Australia Group's Control List and can be used as a precursor in the production of nerve agents.[2,5] According to KCB officials, the cargo recipient should have applied for a transit license from the Bureau of Foreign Trade of Taiwan's Ministry of Economic Affairs. The freighter was released after customs officials seized the phosphorus pentasulfide citing the above-mentioned legal provision.[4]

Sources: [1] “Taiwan boards N Korean ship,” BBC News, August 8, 2003, <<http://www.newsvote.bbc.co.uk/mpapps/pagetools/print/newa.bbc.co.uk/2/hi/asia-pacific/3136>>. [2] Robert Marquand, “Ship’s seizure sends warning to N. Korea,” *The Christian Science Monitor*, August 12, 2003, <<http://www.csmonitor.com/2003/0812/p06s02-woap.htm>>. [3] “War on terror. N Korean freighter held,” *Taipei Times*, August 10, 2003, <<http://taipeitimes.com/News/taiwan/archives/2003/08/10/2003063033>>. [4] Jay Chen and Deborah Kuo, “U.S. lauds Taiwan for seizure of chemicals aboard N. Korean freighter,” Official website of the Information division, Economic and Cultural Office of Taiwan in NY, August 12, 2003, <<http://www.taipei.org/teco/cicc/news/english/e-08-13-03/e-08-13-03-3.htm>>. [5] Mike Nartker, “North Korea: Seized Chemical Could Be Used to Produce Nerve Agent,” *Global Security Newswire*, August 13, 2003, <[http://www.nti.org/d\\_newswire/issues/2003/8/13/10s.html](http://www.nti.org/d_newswire/issues/2003/8/13/10s.html)>.

### **Japanese Arrest Reveals Smuggler’s Tricks**

On September 6, 2003, Japanese police and customs officials announced that a criminal investigation had been launched against the executives of an unnamed used car dealership in Onojo, Fukuoka Prefecture in Japan, for violation of the Foreign Exchange and Foreign Trade Law. The used car dealer is suspected of having illegally exported a trailer, and of having attempted to export the truck portion of a tractor-trailer to North Korea. This is the largest type of tractor-trailer made in Japan, with a 30-ton traction ability, which, with some alteration, could be converted into a missile carrier and mobile launch pad for medium-range ballistic missiles.[1]

Although the export of tractor-trailers is not prohibited under international export control regimes, the Japanese government can regulate such exports under so-called “catch-all” or “end-use” controls that require authorizations for the export of goods and technologies if it is suspected that the end-user might use them in the development of weapons of mass destruction or associated delivery systems.

According to police sources, in February 2003, the used car dealer filed an application with the Moji customs authority for permission to export a large truck unit together with a large trailer to North Korea, which was allegedly to be used for the transportation of timber. After the application was rejected in March 2003, the company illegally shipped the trailer from a Kyushu port directly to a North Korean

trading company in May 2003.[2,3] The used-car company is believed to have avoided government scrutiny in exporting the trailer to North Korea by falsifying its price so that it could be shipped under the so-called “captain's consignment” status, which requires less stringent customs inspection.[2] Under the captain's consignment status, a product with a value of less than 300,000 yen (approximately \$2,500) goes through customs inspections at the discretion of the captain of a ship. When exporting goods with a value exceeding 300,000 yen, traders are required by law to report the name of the product, the quantity sold, and the price to customs officials. To get the captain consignment status, the used car dealer listed the price of the trailer at 250,000 yen (about \$2,080), while the actual value was about 3.5 million yen (about \$29,000).[2,3,4]

In May 2003, a few days after the trailer's illegal export, the company filed another application with the Moji customs authority to export just the truck portion of the combination to a company in Dalian, China, claiming it would be used at a port there. However, customs officers found the dealer's claim suspicious, stopped the shipment, and notified the Ministry of Economy, Trade, and Industry (METI), which is responsible for enforcing export controls in Japan.[2]

According to the Japanese newspaper *The Daily Yomiuri*, the dealership declared that it tried to export the truck unit to China because the export order from North Korea had been canceled. However, since the trailer had already been sent illegally to a North Korean trading company, the Japanese police believe that the dealer intended to illegally export the tractor to North Korea through China.[2,5]

North Korea is thought to have deployed Nodong missiles at various locations, including mountains on the outskirts of Pyongyang. The country is also thought to be developing mid- and long-range Taepodong ballistic missiles, as well. Analysis of satellite images by overseas intelligence organizations indicates that large Japanese-made tractor-trailers and trucks are being used to transport these missiles. This intelligence has led European countries and the United States to call on Japan to tighten its control on such exports.[3]

Sources: [1] “Japan Accuses Firm of Trying to Ship Tractor-Trailer to N. Korea,” *Jiji Press*, September 6, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [2] “Police to probe Fukuoka car dealer over trailer export to N. Korea,” *Kyodo News*, September 5, 2003; “Heiki Tenyou Ka no Torera, Kitachousen ni Fusei Yushutsu, Fukuoka no Chukosha Hanbai Kaisha” [A Used-Car Dealer Tried to Export A Trailer that Could Be Used for Weapons to North Korea], *Sankei Shimbun*, September 5, 2003. [3] “'Launch pad' halted en route to North Korea,” *The Daily Yomiuri*, September 6, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>. [4] “Company questioned over military exports to N. Korea,” *Mainichi Daily News*, September 6, 2003. [5] “Chugoku Keiyu demo Yushutsu Keikaku ka, Tai Kita Torera Yushutsu Misui” [Failed Attempt to Export Trailer to North Korea via China?], *Asahi Shimbun*, September 6, 2003.

### **South Korean Exporters Do Not Comply with Catch-All Provisions**

Recent efforts by Iran and North Korea to obtain WMD-related materials and technologies using front companies, forged documents, and loopholes in national export control regulations, have led members of multilateral export control regimes to focus on enforcing so-called “catch-all” provisions in their national systems of export controls. A catch-all provision requires companies to apply for licenses to export goods and technologies that are not included in export control lists when the exporter knows or has reason to suspect that the end-user will use these goods and technologies to manufacture WMD and delivery systems.

The government of South Korea has been paying closer attention to its catch-all controls due to the proximity of North Korea and recently highlighted flaws in Japan's export control mechanism, which allowed a number of illicit shipments.[1] In January 2003, the Ministry of Commerce, Industry, and Energy, the country's licensing agency, strongly encouraged South Korean exporters to comply with catch-all requirements. Half a year later however, in July 2003, the ministry had to admit that its call for stricter adherence to the catch-all provision had fallen on deaf ears. "Despite massive exports of [South] Korean chemicals, semiconductors and machinery, not a single exporter has complied with catch-all-related requirements so far, indicating widespread indifference in local business circles to the otherwise costly rules. Domestic export companies appear generally unprepared to realize the potential damage," reported a ministry spokesman.[2]

The ministry outlined measures to improve the efficiency of the implementation of catch-all requirements, including the development of a strategic material control center, a strategic material management

information system, and strengthened policy coordination with the National Customs Service. It also conducted several briefings for the country's largest export companies on the purpose of the catch-all controls and asked for greater cooperation. Additional briefings will be conducted.[3] Many countries consider catch-all provisions difficult to enforce, while many exporters find them too ambiguous to ensure strict compliance. At the same time, the United States and many European countries view catch-all provisions as an important element of an effective export control system and expect other countries to implement such provisions. South Korean companies that are noncompliant with the country's catch-all requirements may be subject to U.S. trade sanctions, which could be detrimental for their business.

Sources: [1] Mark Hibbs, "Procurement by Iran, DPRK Focuses Attention on 'Catch-All' Controls," *Nucleonics Week*, May 29, 2003. [2] "South Korean Firms Urged to Abide By Export Regulations on Sensitive Materials," *BBC Monitoring International Reports*, July 10, 2003. [3] "South Korea's WMD Rules Fallen on Deaf Ears," *Asia Pulse*, July 10, 2003.

### **Anaheim Firm Attempted to Illegally Sell Military Parts to China**

On July 18, 2003, a federal grand jury in the District of Columbia returned a four-count indictment charging Amanulla Khan (also known as "Wali Merchant"), 54, and Ziad Jamil Gammoh (or "Al Gammoh"), 53, with attempting to export to China components for F-4 "Phantom" and F-5 "Freedom Fighter/Tiger II" fighter jets and with conspiring to export parts for F-14 "Tomcat" fighter jets, AH-1J "Cobra" helicopter gunships, and "Hawk" surface-to-air missiles.[1,2] Officially unsealed on July 24, 2003, the indictment claims that the defendants violated the following federal laws and regulations: 18 USC 371 (Conspiracy to commit offence or to defraud United States), 22 USC 2778 (Control of arms exports and imports), 22 CFR 123.1 et. seq. (Licenses for export of defense articles), and 18 USC 2 (Offense against the United States).[1] Khan and Gammoh, both naturalized U.S. citizens and residents of Brea and Tustin respectively (Orange County, California), operated the Anaheim, California-based United Aircraft & Electronics company (UAE), specializing in purchasing and reselling aerospace, military and defense aircraft parts to various foreign commercial and government buyers.[3]

U.S. federal authorities became interested in the activities of UAE after learning that company owners posted advertisements featuring various defense articles subject to licensing on an internet-based database with the purpose of attracting prospective customers. [1] In a federal sting operation designed to expose the illegal activities of UAE owners, undercover agents from the U.S. Bureau of Immigration and Customs Enforcement (ICE), posing as representatives of a fictitious Chinese company – Sino-American Aviation Supply – contacted Khan and Gammoh with specific purchase requests for a variety of controlled military components.[2,4] Between November 2000 and June 2001, U.S. federal agents placed five orders for components for F-4 and F-5 fighter jets.[1,2,4] Khan and Gammoh acquired several of the requested items and attempted to export them to China while "knowingly and willfully failing to obtain the required license or authorization from the U.S. State Department for such exports." [1] In particular, on February 8, 2001, and April 24, 2001, the defendants attempted to export controlled components for F-4 and F-5 fighter jets, which were falsely described in the air waybills as "metallic parts." [1] All UAE shipments to the fictitious Sino-American Aviation Supply were intercepted by ICE operatives before they crossed U.S. borders.[1,4]

Both defendants are presently in federal custody. Amanulla Khan was already in federal custody on an unrelated parole violation when the arrest documents were presented to him in Santa Ana, California, on July 23, 2003.[1,4] The ICE agents arrested Ziad Jamil Gammoh at his residence in Tustin on July 21, 2003. Gammoh made his initial court appearance the following day in U.S. District Court in Los Angeles, and Khan was expected to have an appearance soon thereafter.[1]

*Editor's Note: The NIS Export Control Observer will attempt to monitor developments as this case proceeds.*

Sources: [1] "Two Charged and Arrested in Scheme to Illegally Export U.S. Fighter Jet Components to China," U.S. Department of Homeland Security, Press Room, Press Release, July 24, 2003, <<http://www.dhs.gov/dhspublic/display?content=1091>>. [2] "Charges over China weapons exports," CNN.com, July 24, 2003, <<http://edition.cnn.com/2003/US/07/24/china.exports/>>. [3] "Two Orange County Men Indicted for Fraud Scheme Involving Aircraft Parts," United States Attorney for Central District of California, Press Release No.02-060, April 4, 2002, <<http://www.usdoj.gov/usao/cac/pr2002/060.html>>. [4] Christine Hanley, "Two Men Tried To Illegally Export Military Parts To China, U.S. Says," *Los Angeles Times*, July 25, 2003, part 2, p. 5.

## Export Control in Focus

### Export Controls on Brokering

Over the past several years, the central role of brokering agencies in facilitating questionable conventional arms exports to countries of concern has become increasingly evident. However, states seeking to restrain such practices are only beginning to develop commonly accepted definitions, guidelines, and “best practices” with which to address this threat. The difficulty in enforcement and attendant extraterritorial issues further complicate efforts to develop national and international solutions to this challenge.

Brokering and shipping agents engaged in illicit arms transfers have shown themselves to be capable of operating regardless of the existence of United Nations (UN), European Union (EU), or other arms embargoes. In cases where a binding UN embargo has been imposed by the international community, all states are required to implement prompt and effective measures to enforce the embargo. Nevertheless, in recent years, evidence has emerged of EU arms brokering and shipping agents arranging the supply of weapons to countries that were subject to a UN arms embargo. For example, the British company Sandline International arranged the transport of arms from Bulgaria to forces seeking to reinstate Ahmed Tejan Kabbah as President of Sierra Leone, in April 1998. Another UK company – Mil Tec – and its partners are known to have arranged shipments of arms to Rwanda before and during the 1994 genocide.[1]

In the past few years, Western states have pursued a number of national and international efforts to address the brokering challenge. For instance, during its 1999 presidency of the EU, the German government tabled proposals for common controls on arms brokering agents to be adopted by EU member states. These would have required all EU arms brokers, who mediate arms deals or who buy and sell arms, to apply to their national authorities for a license for each transaction. The proposed controls would cover transactions involving goods listed under the seven categories of major conventional weapons as detailed in the UN Register of Conventional Arms Transfers, and the items listed under the EU Joint Action on Small Arms. Similarly, the EU’s Conventional Arms Exports Working Group (COARM) has discussed measures to enhance controls on brokering in the context of the European Union Code of Conduct on Arms Exports, culminating in June 2003 when an EU Common Position that politically commits all current and future member states to introducing controls on arms brokering was established.[2]

The issues of brokering in arms, as well as in dual-use goods and technologies, have been raised, albeit on an *ad hoc* basis, within the Wassenaar Arrangement and the Missile Technology Control Regime (MTCR). At the 2002 plenary of the Wassenaar Arrangement, in Vienna, member states released a *Statement of Understanding on Arms Brokering* that broadly itemized such countermeasures as: compelling registration of arms brokers; limiting the number of licensed brokers; requiring licensing or authorization of brokering; and demanding disclosure of import and export licenses or authorizations, accompanying documents, and of the names and locations of brokers involved in transactions.[3] In an outreach capacity, the German government sponsored an MTCR workshop in Berlin for 27 non-member countries on brokering and catch-all controls in May 1998. Nevertheless, brokering controls remain either non-existent or variously applied.

Despite the lack of a unified approach to the issue of brokering, various countries are pushing forward with gradual changes to their export control laws and regulations. The following is a list of selected governments’ controls over brokering:

#### *Poland*

The November 2000 law *On the Administration of the Foreign Trade of Goods and Technologies*, covering technologies and services of strategic significance for state security and maintenance of international peace and security, contained a brokering provision. The provision extends control over Polish brokers operating outside the borders of Poland; the previous version of the law did not permit control of the activities of Polish citizens in third countries. Moreover, the 2000 law provides a detailed definition of brokering, thereby clarifying the legal limits for Polish exporters and trade facilitators.

### *Sweden*

Sweden's *Military Equipment Act* requires Swedish companies and people permanently living in that country to obtain permits for activities that involve the manufacture, "supply," or export of military equipment, whether those activities are conducted within Swedish jurisdiction or abroad. The definition of "supply" is apparently broad enough to include "brokering activities." It also requires permit holders to give prior notification of any plans to submit a tender or enter into an agreement to supply military equipment to foreign recipients. Failure to comply with the regulations is punishable by a fine and up to two years imprisonment.[4]

### *United Kingdom*

The 2002 UK *Export Control Act* of 24 July 2002 empowers the government to, for the first time, require a license for arms sales and brokering activities in military equipment that take place wholly or partly in the United Kingdom. Full extraterritorial controls were also introduced on UK persons whose activities facilitate the supply of military equipment to embargoed destinations, and the export of torture equipment or long-range missiles to any destination.[5]

### *United States*

In 1996, the United States adopted a comprehensive system of controls over arms brokering and shipping agents regardless of where they or their companies are based.[7] Any U.S. passport holder, wherever located, and any foreign person located in the U.S. or subject to U.S. jurisdiction, who engages in brokering activities involving military goods or services, must first register with the U.S. Department of State. Each transaction must then be given prior written approval by the State Department.

Although various countries have amended or enacted laws to control brokering activities, the continuing absence of broadly available information on brokering activities and enunciation of legal and regulatory guidelines allow illicit brokering to continue.

*Editor's Note: Although precise definitions vary, in general terms arms brokers can be defined as middlemen who organize arms transfers between two or more parties, often bringing together buyers, sellers, transporters, financiers and insurers to make a deal. They generally do so for financial gain, although political or religious motivation may also play a part in some deals. Often such brokers do not reside in the country from which the weapons originate, nor do they live in the countries through which the weapons pass or for which they are destined. As a result, such "third party" arms brokering is notoriously difficult to trace, monitor or control. Arms brokers work very closely with transport or shipping agents. These agents contract transport facilities, carriers and crews in order to move arms cargoes by sea, air, rail or road.*

Sources: [1] Brian Wood and Elizabeth Clegg, "Controlling the Gun-Runners: Proposals for EU Action to Regulate Arms Brokering and Shipping Agents," BASIC/Saferworld Working Paper, 2000; <<http://www.basicint.org/WT/smallarms/1999feb-gun-runners.htm>>. [2] See Press Release, Council of the European Union <<http://ue.eu.int/pressData/en/misc/76327.pdf>>. [3] 2002 Plenary of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, Public Statement, <[http://www.wassenaar.org/docs/sou\\_arms\\_brokerage.htm](http://www.wassenaar.org/docs/sou_arms_brokerage.htm)>. [4] *Federal law on War Material*. (13 December 1996), Article 5. [5] Specifically, controls over brokering are addressed by the Orders under the Export Control Act 2002. The Orders are: Export of Goods, Transfer of Technology And Provision of Technical Assistance (Control) Order; Trade in Controlled Goods (Control) Order; and The [Embargoed Destination] (Sanctions) Control Order. See, *United Kingdom, Strategic Export Controls: 2002 Annual Report*, July 2003, <<http://www.fco.gov.uk/Files/kfile/Cm5819%20Full%20report.pdf>>. [6] Under U.S. controls, as outlined in Section 129, "Registration and Licensing of Brokers," of the International Traffic in Arms Regulations (ITAR), a broker is defined as: "any person who acts as an agent for others in negotiating or arranging contracts, purchases, sales or transfers of defense articles or defense services in return for a fee, commission or other consideration...brokering activities include the financing, transportation, freight forwarding, or taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service, irrespective of its origin."



## Workshops and Conferences

### **Fifth International Conference on Export Controls Held in Budapest**

On September 15-17, 2003, 194 delegates from 41 countries, including representatives from international export control regimes (Australia Group, Wassenaar Arrangement, Missile Technology Control Regime, and the Nuclear Suppliers Group), the International Atomic Energy Agency, the World Customs Organization, and nongovernmental organizations from various countries convened in Budapest, Hungary for the Fifth International Conference on Export Controls. The Conference was organized by the U.S. and Hungarian governments and focused on the theme: “Export Control – a Barrier to WMD Proliferation and Terrorism.”

The plenary sessions were divided into sections based on the following themes:

- Enhancing export controls to meet new terrorist threats (threat assessment, biological, chemical, and nuclear terrorism, role of intelligence services, adaptation of national controls and enforcement to address the terrorist threat, role of customs in export controls, control over Man Portable Air Defense Systems (MANPADs) and unmanned air vehicles, control over radiological sources, improving links with intelligence services);
- Information sharing and cooperation at the regional level, including the role of international export control regimes;
- Best practices in export controls (intangible technology transfers and catch-all controls);
- Trends in export control enforcement (supply chain security and implementation of the Container Security Initiative and creation of internal compliance programs within different companies); and
- New approaches on controlling conventional arms (transparency and ethics, controls on brokers, managing defense industries, ensuring compliance with export controls).

Delegates divided into breakout groups (enforcement, licensing, and policy) and discussed the aforementioned topics, shared experiences, and formulated recommendations on issues discussed.

At the end of the meeting, delegates stressed the importance of organizing such conferences in the future, highlighting, among other things, the importance of strengthening regional collaboration, the exchange of information, harmonization of control lists, observance by all countries of the principles developed by international export control regimes, and the necessity that existing international rules be interpreted consistently by all.

Proceedings from previous international conferences on export controls may be found online [<http://www.exportcontrol.org>].

### **Seminar on Export Control Regulations and National Control List Held in Kyrgyzstan**

On August 18-21, 2003, the Ministry of Foreign Affairs of the Kyrgyz Republic and the Bureau of Industry and Security of the U.S. Department of Commerce jointly organized a technical seminar on export control regulations and the national control list in Bishkek, Kyrgyzstan. The seminar attracted about 40 representatives from all key state agencies of Kyrgyzstan engaged in export controls – Ministry of Foreign Affairs, Customs Service Department, Ministry of Defense, Border Guard Service, National Security Service, Ministry of Justice, Ministry of Internal Affairs, and Ministry of External Trade and Industry. A representative of the Kazakhstani Center on Export Control also participated in the seminar. The technical seminar consisted of two sessions. During the first session, experts from Kyrgyzstan and the United States reviewed Kyrgyzstan’s legislative framework related to export controls and discussed ways to improve it. During the second session of the seminar, Kyrgyzstani and U.S. experts discussed the adoption by Kyrgyzstan of a new national control list based on the model control list of the European Union (EU). Seminar participants familiarized themselves with the structure of the EU model control list, as well as with the decision-making process for identifying commodities. At the end of the seminar, the Kazakhstani

Center on Export Control representative spoke about Kazakhstan's experience in implementing the EU control list and creating internal compliance programs.

## Special Report

### Inter-State Cooperation in the NIS

by Konul Gabulzade, Research Assistant, and Kenley Butler, Research Associate, Center for Nonproliferation Studies

Since the collapse of the Soviet Union, many of the Newly Independent States have formed or joined organizations that seek to address issues of economic cooperation, border protection, and regional security. Many of these organizations are in flux, with states joining or withdrawing and organization titles changing. In an effort to clarify the origins and status of these organizations, the *NIS Export Control Observer* provides the following summary of inter-state cooperative efforts that have at least a limited connection to export control and customs activities in the NIS. The organizations are discussed in the order in which they were originally established.

#### CIS Collective Security Treaty Organization (CSTO)

*Date Established:* The Collective Security Treaty was signed in May 1992. It was transformed into the CIS Collective Security Treaty Organization in May 2002.

*Members:* Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan

*Description:* The CSTO is a joint security program that commits member states to support and sustain regional security. The Collective Security Treaty reaffirms the commitment of signatory states to refrain from using or threatening to use force and to settle all mutual differences, as well as those with other countries, by peaceful means only. Aggression against one signatory country shall be considered an aggression against all parties to the treaty. Consequently, all other signatory countries shall render all necessary assistance, military assistance included, to CSTO members that are victims of an aggression. Formed under the auspices of the CSTO, the Collective Rapid Deployment Force, headquartered in Bishkek includes four battalions of 1,500 servicemen from Kazakhstan, Kyrgyzstan, Russia, and Tajikistan, under Russian command.[1,2] Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan signed the Collective Security Treaty in 1992. In 1999, Azerbaijan, Georgia, and Uzbekistan withdrew from the Treaty.[3]

*Structure:* The Collective Security Council, the governing body of the CSTO, is comprised of heads of state, ministers of foreign affairs, and ministers of defense.[4] The Collective Security Council is chaired by national presidents in succession. Tajikistani President Emomali Rahmonov has served as chairman since April 2003. Nikolay Bordyuzha, former Russian ambassador to Denmark, serves as Secretary-General of the Collective Security Council.[3] The chairman heads the Collective Security Council between sessions. The Collective Security Council has two consultative bodies: the Council of Defense Ministers and the Council of Foreign Ministers of signatory countries.

*Meeting Frequency:* There is no regular meeting schedule. The latest session of the Collective Security Council was held on April 28, 2003 in Dushanbe, Tajikistan.[1]

*Website:* [www.dkb.gov.ru](http://www.dkb.gov.ru)

Sources: [1] "Obshchiye svedeniya" [General information], Collective Security Treaty website, <[www.dkb.gov.ru](http://www.dkb.gov.ru)>. [2] Alex Vatanka, Roger McDermott, Pavel Baev, "Centrals Asian States: Split Loyalties," *Jane's Defence Weekly* online edition, October 16, 2002. [3] CSTO website opening page, <<http://www.dkb.gov.ru>>. [4] "Kto yest kto v DKB" [Who's who in the CSTO], CSTO website, <<http://www.dkb.gov.ru>>.

#### Conference on Interaction and Confidence-Building Measures in Asia (CICA)

*Date Established:* The creation of CICA has been in process since October 1992. The idea of establishing CICA was first introduced in 1992 by Kazakhstani President Nursultan Nazarbayev.

*Members:* Afghanistan, Azerbaijan, China, Egypt, India, Iran, Israel, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Palestinian National Administration, Russia, Tajikistan, Turkey, Uzbekistan[1,2,3]

*Description:* CICA seeks to strengthen mutual relations and cooperation among Asian states to stabilize and safeguard the region. This initiative received solid support from many Asian nations as well as from a number of authoritative international bodies, including the UN and the OSCE. The *Declaration of*

*Principles Guiding Relations between CICA Member States*, signed in Almaty, Kazakhstan, on September 14, 1999, laid the legal foundation for a system of security in Asia based on the following principles: respect for the sovereignty of member countries; no use or threat of use of force; territorial integrity of the member states; peaceful settlement of disputes; non-intervention in internal affairs; economic, social, and cultural cooperation; respect for human rights and fundamental freedoms.[2,3] The first summit of CICA member states was held in Almaty in June 2002. The summit was attended by heads or prime ministers of member states. It started with discussion focused on issues of regional security and cooperation. The summit resulted in the preparation of two documents: the *Almaty Act* and the *Declaration on Eliminating Terrorism and Promoting Dialogue Among Civilizations*, which asks the United Nations to play a central role in developing a framework to fight terrorism.[4] In the *Almaty Act*, member states aim to guarantee regional security through the peaceful settlement of existing conflicts and prevention of new ones and to work on the liquidation of weapons of mass destruction by signing multilateral understandings. The *Almaty Act* states: "We support establishment of nuclear free zones and other types of mass destruction weapons elimination in Asia on the ground of agreements, achieved by the region's states. To support establishment of such zones in Central Asia and Middle East is necessary." The *Almaty Act* also recognizes the need for coordinated multilateral efforts to resist corruption as a transnational problem and rejects the use of religion as a pretext by terrorists, separatist movements, and other groups to achieve their objectives. However, the *Act* affirms the right of people living under foreign occupation to self-determination in accordance with the UN Charter and international law.[5,6]

**Structure and Meeting Frequency:** The CICA Heads of State and Government Meeting (summit) occurs every four years. This gathering serves as CICA's supreme body. The Ministers of Foreign Affairs Meeting considers all CICA-related activities in advance and takes place every two years. The Committee of Senior Officials meets at least once a year to observe implementation of CICA decisions and to conduct consultations on current issues relevant to CICA. The Special Working Group examines issues related to various CICA activities. The Secretariat, based in Almaty, provides administrative support for the meetings, political consultations, and other activities.[1]

**Website:** CICA does not maintain an official website.

Sources: [1] "Conference on Interaction and Confidence Building Measures in Asia," U.S. Department of State Fact Sheet, July 16, 2003, U.S. Department of State website, <<http://www.state.gov/t/pm/rls/fs/22786.htm>>. [2] "History of Success: Conference on Interaction and Confidence-Building Measures in Asia," Embassy of Kazakhstan in the USA website, <<http://www.homestead.com/prosites-kazakhembus/CICA.html>>. [3] "CICA Questions and Answers," Kazakhstani MFA website, <[http://www.mfa.kz/english/cica\\_qa.htm](http://www.mfa.kz/english/cica_qa.htm)>. [4] "Almaty Act," Ministry of Foreign Affairs of the Republic of Kazakhstan website, <[http://www.mfa.kz/english/cica\\_almact.htm](http://www.mfa.kz/english/cica_almact.htm)>. [5] "Conference on Interaction and Confidence-Building Measures in Asia (CICA)," Virtual Information Center website, <<http://www.vic-info.org/regionstop.nsf/0/21aa7742b84a67080a256bd500833526?OpenDocument>>. [6] *Almaty Act*, June 2002, Virtual Information Center website, <<http://www.vic-info.org/regionstop.nsf/0/21aa7742b84a67080a256bd500833526?OpenDocument>>.

### Central Asian Cooperation Organization (CACO)

**Date Established:** Originally created as the Central Asian Economic Community in 1994, the organization was renamed the Central Asian Cooperation Organization on December 28, 2001.[1]

**Members:** Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan

**Description:** CACO seeks to foster cooperation in political, economic, environmental (specifically, regarding the Aral Sea), scientific, cultural, and humanitarian spheres.

**Structure:** The organization is comprised of four national coordinators from the participating states, who have direct access to the national presidents. Uzbekistani President Islam Karimov served as chair from CACO's inception in 2001 until July 2003, when he was replaced by Kazakhstani President Nursultan Nazarbayev.[2,3]

**Meeting Frequency:** There is no publicly available schedule for CACO meetings.

**Website:** CACO does not maintain an official website.

Source: [1] "Central-Asian Economic Community Transformed into Central-Asian Cooperation Organisation," *Pravda* online edition, December 28, 2001, <<http://english.pravda.ru/world/2001/12/28/24633.html>>. [2] Interfax, February 28, 2002; in "Presidential Bulletin Report for February 28, 2002," FBIS Document CEP20020228000279. [3] "Kazakhstan to Chair Central Asian Cooperation Organization," Interfax, July 5, 2003; in FBIS Document CEP20030705000076.

### Eurasian Economic Community (EURASEC)

**Date Established:** Originally created as the CIS Customs Union in January 1995, the organization was renamed EURASEC on October 10, 2000.

*Members:* Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan (Armenia, Moldova, and Ukraine are observers)[1,2]

*Description:* The successor to the CIS Customs Union, EURASEC seeks to create a customs union among its member states.[1] As of August 2003, EURASEC was trying to resolve differences over the formation of a common customs tariff and a transport union. Member states are also planning to consider an agreement aimed at harmonizing export control policies and control lists.[2]

*Structure:* Russia has 40% of the voting rights in EURASEC, Kazakhstan and Belarus each have 20%, and Tajikistan and Kyrgyzstan each have 10%.[3] The supreme body of EURASEC is the Interstate Council. Other structures include the Integration Committee and the Interparliamentary Assembly.[4] The current chairman of the Interstate Council is Kazakhstani President Nursultan Nazarbayev. Members of the Interstate Council include the following: presidents and prime ministers of the member states; Chairman of the Integration Committee Sayat Mynbayev, Deputy Prime Minister of Kazakhstan; Chairman of the Interparliamentary Assembly Oralbay Abdikarimov, Chairman of the Senate of Kazakhstan; Secretary General Grigoriy Rapota; Deputy Secretary General Serik Primbetov; and others.[5]

*Meeting Frequency:* EURASEC does not maintain an official meeting schedule.

*Website:* Eurasian Economic Community Interparliamentary Assembly [www.mpa.eurasec.ru](http://www.mpa.eurasec.ru)

Sources: [1] "Yevraziyskoye ekonomicheskoye soobshchestvo" [Eurasian Economic Community], EURASEC Interparliamentary Assembly website, <<http://www.mpa.eurasec.ru/>>. [2] Interfax-Kazakhstan, August 22, 2003; in "Kazakhstan: Common Customs Tariff Causing Problems for Eurasian Community," FBIS Document CEP20030822000143. [3] "Eurasian Economic Community," Embassy of Kazakhstan in Israel website, <<http://www.kazakhemb.org.il/pdf/p1t2.pdf>>. [4] "Asian Security," Embassy of Kazakhstan in Israel website, <[http://www.kazakhemb.org.il/page.asp?DBName=Page\\_Info1](http://www.kazakhemb.org.il/page.asp?DBName=Page_Info1)>. [5] "Rukovodstvo Yevrazes" [EURASEC Leadership], Interparliamentary Assembly of Eurasian Economic Community website, <<http://www.mpa.eurasec.ru/adm.htm>>.

### Shanghai Cooperation Organization (SCO)

*Date Established:* The SCO was established in June 2001 as a successor to the Shanghai Five. The Shanghai Five was formed in 1996 on the basis of agreements on confidence building measures in the military field and on the reduction of arms.[1]

*Members:* China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan[1]

*Description:* According to its founding declaration of June 15, 2001, the SCO was established to strengthen mutual trust and friendly relations among member states; to encourage cooperation in the areas of politics, economy and trade, science and technology, culture, education, energy, transportation, environmental protection, and other fields; to maintain regional peace, security, and stability; and to build a new, democratic, just, and rational international political and economic order.[2] A major thrust of the SCO is to implement the 2002 *Shanghai Convention on Combating Terrorism, Separatism and Extremism* and to adopt documents for cooperation on suppressing arms trafficking and other transnational criminal activity.[1]

*Structure and Meeting Frequency:* The two permanent bodies of the SCO – the Secretariat in Beijing and the Regional Antiterrorist Structure (RATS) in Tashkent – are to be operational by January 1, 2004. Chinese Ambassador to Moscow Zhang Deguang was confirmed as the SCO's first secretary general at a May 2003 meeting of the SCO Heads of Member States. Heads of state, prime ministers, and ministers of foreign affairs of the six member states meet on a regular basis.[3,4]

*Website:* The SCO does not maintain an official website.

Sources: [1] *Declaration by the Heads of the Member States of the Shanghai Cooperation Organization*, June 7, 2002, Department of Information and Press, Ministry of Foreign Affairs of the Russian Federation, SHAPS Database website, <<http://russia.shaps.hawaii.edu/>>. [2] *Declaration on the Establishment of the Shanghai Cooperation Organization*, June 15, 2001, Permanent Mission of the Republic of Kazakhstan to the United Nations website, <<http://missions.itu.int/~kazaks/eng/sco/sco01.htm>>. [4] "Joint Communiqué Issued at Conclusion of Extraordinary Meeting of the Council of Foreign Ministers of Member States of the Shanghai Cooperation Organization, Tashkent, September 5, 2003, Ministry of Foreign Affairs of the Russian Federation website, <<http://www.ln.mid.ru/bl.nsf/0/bca96f118527f4fb43256d9b00303273?OpenDocument>>. [4] "China, Russia, Central Asian nations strengthen ties," Agence France Presse, May 29, 2003; in Lexis-Nexis Academic Universe, <<http://www.lexis-nexis.com>>.

### Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova Group (GUUAM)

*Date Established:* November 1997

*Members:* Azerbaijan, Georgia, Moldova, Ukraine, and Uzbekistan (Uzbekistan joined the organization in April 1999, suspended its membership in June 2002, then, with U.S. encouragement, renewed its activity in GUUAM.)[1,2]

*Description:* GUUAM is a political, economic, and strategic alliance designed to strengthen the independence and sovereignty of former Soviet republics and to enhance regional economic cooperation.

Specifically, member states agree to cooperate in the following areas: peaceful settlement of conflicts and resistance to separatism; peacekeeping activities; development of a Eurasian Transcaucasian transport corridor; prevention of proliferation of weapons of mass destruction in the region; and integration into Western security structures.[2] At a July 2002 summit, the heads of state of Azerbaijan, Georgia, Moldova, and Ukraine agreed to create a free trade zone within the GUUAM framework.[3] At the July 2003 GUUAM Summit in Yalta, Ukraine, member states discussed implementation of the GUUAM-U.S. Framework Program, which involves the creation of a “virtual center” to combat terrorism, drug trafficking, and other types of criminal activities, as well as border security and customs control projects aimed to facilitate trade and transportation.[4,5] GUUAM receives funding from the United States and cooperates with international security organizations, such as NATO, the Organization for Security and Cooperation in Europe, the UN, and the Council of Europe.[1,4] Some analysts believe that Russia is promoting the CIS Collective Security Treaty Organization and the Eurasian Economic Community (see description below) as alternatives to GUUAM, and suggest that Moldova’s recent lack of involvement in GUUAM activities is due to pressure from Russia.[6,7]

*Structure and Meeting Frequency:* The Heads of State Summit is GUUAM’s highest body. It meets annually to make decisions on cooperation within GUUAM and to coordinate positions on issues of interest to members. The presidency of GUUAM is held by member states in alphabetical order for the period between Heads of State Summits. Sessions of the Ministers of Foreign Affairs, which are conducted twice a year, constitute GUUAM’s executive body. This body implements GUUAM agreements and drafts proposals for consideration by the GUUAM Heads of State. The Committee of National Coordinators, which consists of one representative from each country, is GUUAM’s working body. It meets quarterly to coordinate activities of member states and to prepare for Heads of State Summits and the Sessions of the Ministers of Foreign Affairs.[9] GUUAM member states also plan to create a parliamentary assembly in the future.[10]

*Website:* <http://www.guuam.org>

Sources: [1] The GUUAM Group: History and Principles," GUUAM website, <[www.guuam.org](http://www.guuam.org)>. [2] Bruce Pannier, “GUUAM: Summit Wraps Up, Accord Announced with U.S.,” RFE/RL, RFE/RL website <<http://www.rferl.org/nca/features/2003/07/04072003164157.asp>>. [3] “Joint Statement US-GUUAM,” September 14, 2002, GUUAM website, <[www.guuam.org](http://www.guuam.org)>. [4] “Joint Statement GUUAM-United States,” July 4, 2003, GUUAM website, <[www.guuam.org](http://www.guuam.org)>. [5] For more information on the Virtual Center, see “GUUAM, U.S. to Cooperate in Anti-Terrorism and Border Security Operations,” *NIS Export Control Observer*, July 2003, p. 2, CNS website, <[cns.miis.edu/nis-excon](http://cns.miis.edu/nis-excon)>. [6] Taras Kuzio and Sergei Blagov, “GUUAM Makes Comeback Bid with US Support,” *Eurasianet.org*, July 7, 2003, <[http://www.eurasianet.org/departments/insight/articles/eav070703\\_pr.shtml](http://www.eurasianet.org/departments/insight/articles/eav070703_pr.shtml)>. [7] Olena Netmanchuk, “GUUAM: Carrot of Washington, Stick of Moscow?” *Zerkalo nedeli* online edition, July 5-11, 2003, No. 25 (450), <<http://www.mirror-weekly.com/ie/print/39205/>>. [9] “Yaltinskaya khartiya GUUAM” [The Yalta Charter of GUUAM], June 6-7, 2001, GUUAM website, <<http://www.guuam.org>>. [10] “Final Communiqué of GUUAM Summit,” July 4, 2003, GUUAM website, <[www.guuam.org](http://www.guuam.org)>.

### CIS Anti-Terrorism Center (ATC)

*Date Established:* December 2000[1]

*Members:* Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, and Uzbekistan

*Description:* Headquartered in Bishkek, the ATC maintains a database of international terrorist and extremist organizations, their leaders, and persons who support terrorism.[2] Russia supplied its commander, Lt. Gen. Boris Mylnikov, and promised to fund 50% of the ATC’s annual budget.[3] The budget of the ATC was 13 million rubles in 2001 (\$456,000 as of January 1, 2001), and 26 million rubles in 2002 (\$853,000 as of January 1, 2002).[4]

*Structure:* The ATC is currently supervised by Russian Federal Security Service (FSB) Director Nikolay Patrushev. The *Statute on the Anti-Terrorism Center* approved by the CIS Heads of State on December 1, 2000, in Minsk authorizes and funds 60 staff positions for the ATC, though it is unclear whether all slots are currently filled.[4] The organization has offices in Moscow and Bishkek.[5] The ATC has two departments: the Department on Coordination and Operations and the Department on Situational Analysis, Threat Assessment, and Preparation of Draft Resolutions. The Department on Coordination and Operations coordinates the efforts of CIS member states in counteracting international terrorism and is in charge of joint anti-terror operations. The Department on Situational Analysis, Threat Assessment, and Preparation of Draft Resolutions creates proposals for the CIS countries. It also collects and analyzes information about international terrorism, and maintains a database on terrorist organizations and individuals as well as people supporting them.[4]

**Website:** [http://www.cis.solo.by/org/atc/org\\_atc\\_001.shtml](http://www.cis.solo.by/org/atc/org_atc_001.shtml)

Sources: [1] "Ob istorii sozdaniya Antiterroristicheskogo tsentra gosudarstv-uchastnikov SNG" [On the history of the creation of the anti-terrorist center of the CIS member states], Executive Committee of the Commonwealth of Independent States website, <[http://www.cis.solo.by/org/atc/org\\_atc\\_001.shtml](http://www.cis.solo.by/org/atc/org_atc_001.shtml)>. [2] "Asian Security," Embassy of Kazakhstan in Israel website <[http://www.kazakhemb.org.il/page.asp?DBName=Page\\_Info1](http://www.kazakhemb.org.il/page.asp?DBName=Page_Info1)>. [3] Alex Vatanka, Roger McDermott, Pavel Baev, "Centrals Asian States: Split Loyalties," *Jane's Defence Weekly* online edition, October 16, 2002, <<http://www.janes.com>>. [4] Boris Mylnikov, "Antiterroristicheskii tsentr SNG" [CIS Anti-terrorism Center], Agentura.ru website, <[http://www.agentura.ru/dossier/\\_sng/atc/](http://www.agentura.ru/dossier/_sng/atc/)>. [5] "CIS Anti-terrorism Center: Marking Time in Moscow, Refocusing on Bishkek," *IASPS Policy Briefings: Geostrategic Perspectives on Eurasia*, Number 2, November 3, 2002, Institute for Advanced Strategic and Political Studies website, <[http://www.iasps.org/eng\\_editor/socor\\_show.php?lang=&main=&type=6&article\\_id=93&PHPSESSID=ecef6574ca12b0f8cdd2c2436fea2a61](http://www.iasps.org/eng_editor/socor_show.php?lang=&main=&type=6&article_id=93&PHPSESSID=ecef6574ca12b0f8cdd2c2436fea2a61)>.

**Organization of Regional Integration (ORI) [also known as Common Economic Space (CES), United Economic Space (UES), and Single Economic Space (SES)]**

**Date Established:** September 19, 2003

**Members:** Belarus, Kazakhstan, Russia, and Ukraine

**Description:** The ORI calls for a free trade zone, possibly with a single currency.[1] During their meeting on February 23, 2003, the presidents of Belarus, Kazakhstan, Russia, and Ukraine agreed in principle to the creation of a "joint economic space." At a meeting in Yalta on September 19, 2003, the four presidents signed a framework agreement to create the ORI. Parties to the agreement agree to harmonize trade practices and tax and monetary policies. The first stage of the ORI will be the creation of a free trade zone.

**Structure:** The Council of Heads of Member States, in which each country has one vote, will oversee the creation of the ORI structure. The four parties will create a single regulating body to run the affairs of the ORI. All decisions in this regulating body will be made by vote in which the number of votes of a country depends on its economic potential.[2] Membership in the ORI is open to other CIS countries.[3]

**Website:** The ORI does not maintain an official website.

Sources: [1] "Presidenty Rossii, Belorussii, Kazakhstana i Ukrainy podpisali zayavleniye o namerenii sozdat yedinoye ekonomicheskoye prostranstvo" [The Presidents of Russia, Belarus, Kazakhstan, and Ukraine signed a statement of intention to create a unified economic zone], ITAR-TASS, February 23, 2003; in Integrum Techno, <<http://www.integrum.com>>. [2] "Ukraine, Russia, Belarus, Kazakhstan Sign Agreement on CES Forming," Interfax Ukraine Business Panorama Report for September 15-22, 2003, in FBIS Document CEP20030922000206. [3] "Putin ,Kuchma, Lukashenko i Nazarbayev podpishut soglasheniye o Yedinom ekonomicheskoye prostranstve Rossii, Ukrainy, Belorussii i Kazakhstana" [Putin, Kuchma, Lukashenko and Nazarbayev sign agreement on Common Economic Space for Russia, Ukraine, Belarus, and Kazakhstan], ITAR TASS, September 9, 2003; in Integrum Techno, <<http://www.integrum.com>>.

**Summary Table of NIS States Membership in Regional Organizations**

	CSTO (regional security)	CICA (regional security)	CACO (broad cooperation)	EURASEC (customs union)	SCO (anti- terrorism)	GUAM (regional security)	ATC (anti- terrorism)	ORI (economic integration)
Armenia	√						√	
Azerbaijan		√				√	√	
Belarus	√			√			√	√
Estonia								
Georgia						√	√	
Kazakhstan	√	√	√	√	√		√	√
Kyrgyzstan	√	√	√	√	√		√	
Latvia								
Lithuania								
Moldova						√	√	
Russia	√	√		√	√		√	√
Tajikistan	√	√	√	√	√		√	
Turkmenistan								
Ukraine						√	√	√
Uzbekistan		√	√		√	√	√	

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