

SIX MONTH PERIODIC REVIEW WITH REGARDS TO THE
LAPSE OF THE EXPORT ADMINISTRATION ACT OF 1979

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A CONTINUATION OF THE NATIONAL EMERGENCY DECLARED BY EXECUTIVE ORDER 12924 OF AUGUST 19, 1994, TO DEAL WITH THE THREAT TO THE NATIONAL SECURITY, FOREIGN POLICY, AND ECONOMY OF THE UNITED STATES CAUSED BY THE LAPSE OF THE EXPORT ADMINISTRATION ACT OF 1979, PURSUANT TO 50 U.S.C. 1703(c)



JUNE 14, 2000.—Message and accompanying papers referred to the Committee on International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

As required by section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I transmit herewith a 6-month periodic report on the national emergency declared by Executive Order 12924 of August 19, 1994, to deal with the threat to the national security, foreign policy, and economy of the United States caused by the lapse of the Export Administration Act of 1979.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 14, 2000.*

PRESIDENT'S PERIODIC REPORT ON THE NATIONAL EMERGENCY
CAUSED BY THE LAPSE OF THE EXPORT ADMINISTRATION ACT OF
1979 FOR AUGUST 19, 1999, TO FEBRUARY 19, 2000

On August 19, 1994, in Executive Order No. 12924, I declared a national emergency under the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 *et seq.*) to deal with the threat to the national security, foreign policy, and economy of the United States caused by the lapse of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 *et seq.*) and the system of controls maintained under that Act. In that order, I continued, in effect, to the extent permitted by law, the provisions of the Export Administration Act of 1979, as amended, the Export Administration Regulations (15 U.S.C. 730 *et seq.*), and the delegations of authority set forth in Executive Order No. 12002 of July 7, 1977 (as amended by Executive Order No. 12755 of March 12, 1991), Executive Order No. 12214 of May 2, 1980, Executive Order No. 12735 of November 16, 1990 (subsequently revoked by Executive Order No. 12938 of November 14, 1994), and Executive Order No. 12851 of June 11, 1993. As required by the National Emergencies Act (50 U.S.C. 1622(d)), I issued notices on August 15, 1995, August 14, 1996, August 13, 1997, August 13, 1998, and August 10, 1999, continuing the emergency declared in Executive Order No. 12924.

In 1996, I issued two Executive Orders concerning the transfer of items from the United States Munitions List to the Commerce Control List. On October 12, 1996, I issued Executive Order No. 13020 (regarding hot-section technologies for commercial aircraft engines) and on November 15, 1996, I issued Executive Order No. 13026 (regarding encryption products).

I issued Executive Order No. 12924 pursuant to the authority vested in me as President by the Constitution and laws of the United States, including, but not limited to, IEEPA. At that time, I also submitted a report to the Congress pursuant to section 204(b) of IEEPA (50 U.S.C. 1703(b)). Section 204 of IEEPA requires follow-up reports, with respect to actions or changes, to be submitted every six months. Additionally, section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)) requires that the President, within 90 days after the end of each six-month period following a declaration of a national emergency, report to the Congress on the total expenditures directly attributable to that declaration. To comply with these requirements, I have submitted combined activities and expenditures reports for the six-month periods ending February 19, 1995, August 19, 1995, February 19, 1996, August 19, 1996, February 19, 1997, August 19, 1997, February 19, 1998, August 19, 1998, February 19, 1999, and August 19, 1999. The following report covers the six-months period from August 19, 1999, to February 19, 2000. Detailed information on export control activities is contained in the most recent Export Administration

Annual Report for Fiscal Year 1999 and the January 2000 Report on Foreign Policy Export Controls, required by section 14 and section 6(f) of the Export Administration Act, respectively, which the Department of Commerce continues to submit to Congress under a policy of conforming actions under the Executive Order to the provisions of the Export Administration Act, as appropriate.

Since the issuance of Executive Order No. 12924, the Department of Commerce has continued to administer and enforce the system of export controls, including antiboycott provisions, contained in the Export Administration Regulations (EAR). In administering these controls, the Department has acted under a policy of conforming actions under Executive Order Nos. 12924, 13020, and 13026 to the provisions of the Export Administration Act, insofar as appropriate.

The expenses incurred by the federal government in the six-month period from August 19, 1999, to February 19, 2000, that are directly attributable to the exercise of authorities conferred by the declaration of a national emergency with respect to export controls were largely centered in the Department of Commerce, Bureau of Export Administration (BXA). Expenditures by the Department of Commerce for the reporting period are anticipated to be \$24,264,000, most of which represents program operating costs, wage and salary costs for federal personnel, and overhead expenses.

Since my last report to the Congress, there have been several significant developments in the area of export controls:

Multilateral Developments

Wassenaar Arrangement. The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies is a multilateral regime currently consisting of 33 member countries. Its purpose is to contribute to regional and international security and stability by promoting transparency and greater responsibility in international transfers of conventional arms and dual-use goods and technologies.

- The United States Government continues to participate in submissions of export data made by member countries in the regime since the November 1996 implementation of the Wassenaar dual-use export control list. The Wassenaar members make dual-use data submissions on a semiannual basis in April and October.

- The Wassenaar Arrangement's Initial Elements call for Participating States to assess the overall functioning of the Arrangement. This assessment was done for the first time in 1999. The 1999 review process provided an opportunity to focus discussions on how the Arrangement is meeting its objectives. In 1999, four assessment meetings were held. Participating States reaffirmed their commitment to maintain responsible national security policies consistent with the purposes of the Arrangement. They agreed to maximize restraint as a matter of national policy when considering licensing for the export of arms and sensitive dual-use items to all destinations where the risks are judged to be the greatest, and in particular to regions where conflict is occurring. In addition, Participating States confirmed their commitment to maintaining strong law-based enforcement of export controls.

- The 1999 List review of the Arrangement's controls on conventional arms and dual-use goods and technologies resulted in major changes for computers and microprocessors. These relaxations in controls for computers and microprocessors resulted primarily in response to U.S. unilateral decisions to apply certain liberalized licensing requirements to these items, in order to reflect rapid technological advances and controllability factors. Agreement for a Statement of Understanding on the importance of controlling intangible transfers of technology and software was also reached. All agreed list changes are expected to be incorporated into our national regulations soon.

- In February 2000, BXA representatives attended a special meeting of computer specialists to study the highly complex issue of upgrading and clustering computers with the intention to develop proposals that would provide effective controls over clustered systems. The United States tabled a non-paper on the future of domestic export control for high performance computers and microprocessors. This non-paper reaffirms our commitment to provide Participating States advanced notice of any possible change in our domestic licensing policies.

Australia Group. The Australia Group (AG) is an informal multilateral export control regime that seeks to impede the proliferation of chemical and biological weapons (CBW) through the harmonization of export controls, the exchange of information on global proliferation activities, and outreach to nonmembers. The 30 member countries meet annually and communicate between sessions to review and refine the list of controlled chemicals, biological agents, and related equipment and technology.

- BXA provides technical and policy analysis for the review of items controlled by the AG. This review permits continued updating of the controls to optimize their nonproliferation impact while taking into account current chemical and biological trade patterns. At the October 1999 AG Plenary, BXA participated in the Technical Experts Group's review of a number of controlled items. As a result of these meetings, some item descriptions were more finely tuned to capture items of proliferation concern while excluding benign products.

- BXA supports and complies with the AG's no undercut policy which is intended to ensure that AG members are following a common approach to export controls. If one AG member denies an export of an AG-listed item for CBW nonproliferation reasons, all other members agree not to approve essential identical export license applications without first consulting with the member that issued the original denial. This policy has worked well to close the loophole for potential diverters who shop around to acquire items for proliferation purposes.

- The AG works to impede the proliferation of chemical and biological weapons through outreach to non-AG countries. BXA contributes to this effort by inviting foreign export control officials to events to discuss national export laws and regulations, including those relating to the AG. A number of non-AG countries have been taken steps to adopt AG-Type controls.

- BXA will publish changes to Australia Group-related controls based on the agreements reached at the 1999 Plenary.

Chemical Weapons Convention. The Chemical Weapons Convention (CWC) is an international arms control and nonproliferation treaty that bans chemical weapons (CW) and monitors the legitimate production, processing, consumption, export, and import of certain toxic chemicals and precursors related to CW. BXA has implemented certain export control provisions of the Convention in the Export Administration Regulations. During this reporting period, BXA received eight advanced notifications of exports of Schedule 1 chemicals, two annual reports on exports for calendar year 1997, two annual reports on exports for calendar year 1998, and 21 end-use certificates for exports to the Dominican Republic, Israel, Malaysia, Singapore, Taiwan, and Thailand. BXA returned without action three annual reports on Schedule 1 exports because they were not required under the EAR.

Nuclear Suppliers Group. The Nuclear Suppliers Group (NSG), composed of 35 member countries with the European Commission as a permanent observer, is an informal group of nations concerned with the proliferation of nuclear weapons. The NSG has established Guidelines to assist member nations in administering national nuclear export control programs. Controls are focused on certain categories of goods: nuclear material, equipment and technology unique to the nuclear industry, and so-called nuclear dual-use items that have both nuclear and non-nuclear applications. Formal annual plenaries are held to provide the opportunity for multilateral consultations by NSG members on nuclear proliferation concerns.

- A NSG Components Working Group meeting was held on September 13–14, 1999, in Vienna, Austria, to discuss proposals offered by the United States and other countries on how and when to control parts and components for items listed in the NSG Dual Use Annex. No agreement could be reached on how to approach the issue, but agreement was reached to hold further discussions on the proposal.

- A number of NSG working groups met in Vienna, Austria, at an NSG meeting held the week of October 17, 1999. Issues discussed included the institutional arrangements of the NSG, revising the Part I Guidelines, and the addition of controls on parts and components listed in the Dual Use Annex. With regard to the latter issue, the Components Working Group decided to take a two-pronged approach to determining how to control components. The first approach is to identify the components themselves, and the second is to develop a definition of controlled components and to determine the circumstances under which they would be controlled. This issue will continue to be explored in working group meetings to be held over the course of the next year.

- A NSG meeting was held in Vienna, Austria, on November 3, 1999, on the establishment of an official NSG Web site. The decision was made to accept the offer of the University of Georgia's Center for International Trade and Security to create and maintain a NSG Web site at no charge. Discussions are underway to determine the content of the site; it is anticipated it will be completed by the summer of 2000.

Missile Technology Control Regime (MTCR). The MTCR is an informal group of countries founded in 1987 by the United States and

its G-7 trading partners to coordinate their national export controls for the prevention of missile proliferation. Each member, under its own laws and practices, has committed to adhere to the MTCR Guidelines for export licensing policy for items found on the MTCR Equipment and Technology Annex. The United States continued to maintain its multilateral MTCR controls as well as its unilateral Enhanced Proliferation Control Initiative controls during the reporting period.

- BXA represented the Department at the Missile Technology Control Regime (MTCR) intercessional Technical Experts Meeting held in Paris on September 6–7, 1999. Proposals offered at the intercessional meeting included one that would combine several categories in the MTCR Annex to make it more concise and similar to the European Dual-Use and Commerce Control Lists. This proposal was accepted for consideration at the MTCR Technical Experts Meeting in October.

- BXA participated in the annual Missile Technology Control Regime (MTCR) Plenary and Technical Experts Meeting held in Noordwijk, the Netherlands, on October 11–15, 1999. In the information exchange portion of the Plenary, 16 MTCR members actively participated in sharing information on non-MTCR partner missile programs that constitute serious missile proliferation threats. Later in the Plenary, the United States proposed that the MTCR sponsor another workshop on the implementation and enforcement of intangible technology controls, which would serve to continue the MTCR's outreach and transparency program.

- At the Technical Experts Meeting during the week of October 11, 1999, MTCR partners agreed to relax controls on aluminum powder and other metal powders used as fuel in solid rocket motors, which will reduce the number of Commerce license applications for metal fuels. State Department licenses for metal fuels will not be affected by this change. Special dual use items for chemical/biological weapons delivery systems were also identified that could be added to the MTCR Equipment and Technology Annex in the future. The proposal first raised at the TEM meeting in September, to reformat the MTCR Equipment Annex into larger categories based on the newly reformatted Annex structure, was reviewed, with action on the proposal tabled for further discussion.

Encryption/High Performance Computer Policy

Encryption: During the period August 19, 1999, to February 19, 2000, BXA carried out a number of activities in relation to the Administration's encryption policy. Most significantly, on January 14, 2000, BXA published regulations implementing the Administration's September 16, 1999, announcement to simplify the export of cryptography. The core of this policy rests on three tenets: a review of encryption products in advance of sale; a streamlined post-export reporting system that takes into account industry's distribution models; and review of exports to foreign government end-users. These activities also include reviewing licenses, participating in multilateral and interagency discussions on encryption policy, and reaching out to industry members and the public. Much of the policy update resulted from invaluable consultations and comments provided by industry and privacy groups, such as those provided by

the President's Export Council Subcommittee on Encryption (PECSENC). BXA held three PECSENC meetings during this period. This committee fulfills the Administration's commitment to establish a formal mechanism to provide industry, users, state and local law enforcement, and other privacy groups with the opportunity to advise the U.S. Government on the impact of commercial encryption policy. Following on its June 1999 recommendations paper on encryption export liberalization, the PECSENC's ad-hoc Experts Working Group, comprising export controls specialists from subcommittee members' companies, offered guidance to the Administration throughout the regulation-drafting process.

BXA participated in several Wassenaar working group meetings and explained the current U.S. licensing policy for cryptographic products and the rationale behind the policy update. The United States proposed releasing encryption products considered in the public domain for discussion at the next Experts Meeting in April 2000. BXA also has discussed encryption export control policy with numerous foreign delegations on a bilateral basis.

During October 1999, BXA participated in the Free Trade Area of the Americas (FTAA) E-Commerce Working Group. This subcommittee is studying e-commerce-related issues, such as authentication, security, privacy, market readiness indicators, and taxation to assess the current e-commerce environment in the Western Hemisphere. The United States delegation reported that approximately 80 percent of the U.S. recommendations on e-commerce language were adopted by the Ministerial Declaration. Furthermore, BXA agreed to undertake an initiative to brief interested Latin American countries both in the private sector and public sector on the United States encryption policy. Corresponding with that effort, BXA representatives addressed e-commerce and U.S. encryption issues with Brazilian congressional representatives as a part of the Worldnet program on e-commerce.

During this reporting period, BXA participated in a number of events to educate exporters and the general public on the goals of the Administration's new encryption policy and the details of the Bureau's licensing procedures. The Administration consulted with numerous industry, privacy, technical, and academic groups as part of its review of encryption export controls. Further, BXA continued to conduct individual meetings with U.S. companies to explain and discuss the revised policy on a weekly basis, and regularly updated its Web site to provide exporters guidance concerning encryption export control policy.

High Performance Computers: During the past six months, BXA has been actively engaged in various activities in order to update the Administration's High Performance Computer (HPC) export control policy. These activities include updating export controls on HPCs, studying alternative methods for controlling HPCs, meeting with industry counterparts to assess their needs, and reforming the HPC licensing process.

On February 16, 2000, the President submitted a report to Congress outlining his intent to raise the National Defense Authorization Act (NDAA) notification requirement for Tier 3 countries from 6,500 MTOPS to 12,500 MTOPS. This change will go into effect August 14, 2000. The report also outlined the President's intent to

move Romania from Tier 3 to Tier 2. This change will go into effect June 15, 2000.

At the request of BXA, the Information Security Technical Advisory Committee (ISTAC) has studied alternative control parameters for HPCs. The significant adjustments required to keep up with the rapid technological advances in the computer industry call into question the viability of the current approach for determining HPC control levels and create the need to explore alternative control parameters that will provide the flexibility necessary to accommodate future advances in HPC and microprocessor technology. Although no single solution has been chosen yet, it appears that the best idea thus far is a new export control parameter based on the number of controlled processors used in a computer. The number of processors used in a system is a better predictor of performance; however, several technical issues must be resolved before this could be adopted as a new control metric.

- During the past six months, BXA undertook an intensive study of the HPC licensing process in order to pinpoint unnecessary choke points, redundant paperwork requirements, and other areas in need of improvement. As a result of this study, the average license processing time for HPCs has dropped by one-third, and the Security Safeguard Plan provisions have been modified to reflect the current technology environment. Additionally, BXA published a Web site dedicated to HPC controls to provide the public with guidance related to HPC export policy and the license application process. In October 1999, BXA held three seminars (in Washington, D.C., Texas, and California) to advise the U.S. computer industry on HPC policy and to further educate industry officials of their duties related to export compliance. Furthermore, BXA maintained an ongoing dialogue with U.S. computer manufacturers and industry groups on HPC policy and licensing issues.

Bilateral Cooperation/Technical Assistance

As part of the Administration's continuing effort to encourage other countries to strengthen their export control systems, the Department of Commerce and other agencies conducted a wide range of discussions with a number of foreign countries.

Hong Kong. BXA continues to work with the Hong Kong authorities on export licensing and enforcement issues, and maintains a close working relationship with the Ministry of Trade and Industry regarding export controls.

On September 1, 1999, BXA representatives met with representatives of the Hong Kong Economic and Trade Office to discuss licensing and export policy issues. The two sides discussed the licensing of items controlled unilaterally by the United States, information technology policy, developments in the Wassenaar Arrangement, and the draft Export Administration Act and other pending legislation that could affect U.S. export controls relating to Hong Kong.

On October 6, 1999, officials from the Hong Kong Trade Department met with BXA officials to discuss licensing and policy issues. The Hong Kong officials sought more extensive information sharing, including access to U.S. export license data to verify reexport privileges of U.S.-licensed goods, and data on end-users in Hong

Kong to whom BXA had denied proposed exports. The Hong Kong officials offered to supply import certificates for items, such as high performance computers, that enter Hong Kong without an export license.

China. On September 8–10, 1999, BXA hosted a seven-person delegation from the People’s Republic of China (PRC) for a seminar on export licensing and enforcement procedures and practices. The seminar was a result of an agreement that U.S. and Chinese officials made at the December 1998 Joint Commission on Commerce and Trade meeting to enhance the bilateral dialogue on export controls. The deputy director of the Science and Technology Division of the PRC Ministry of Foreign Trade and Economic Cooperation led the four-person delegation from Beijing; three delegation members were from the PRC Embassy in Washington.

On November 3–5, 1999, four officials from China’s Ministry of Foreign Trade and Economic Cooperation visited Washington for a seminar similar to the one held in September. The program was designed to facilitate a technical exchange on implementing and enforcing export controls, and included demonstrations of the Bureau of Export Administration’s (BXA) license review system and the dispute resolution process, meetings with enforcement officials, and a session with representatives from the Departments of State and Defense.

India. The Defense Appropriations Act of 2000, enacted on October 25, 1999, mandated that the Administration report to Congress within 60 days on the list of sanctioned Indian and Pakistani entities. The legislation urged the refinement of the list and suggested that the criteria for the list be “entities that make a direct and material contribution to weapons of mass destruction and missile programs.” The law also urged that the sanctions be limited to only those items that can contribute to WMD and missile programs. Based on this guidance and an interagency consensus, the United States decided to delete 51 entities from the list and to revise the licensing policy for low-level technology from a policy of denial to approval. The Bureau will publish the regulations implementing these changes in March.

Cuba. The Treasury Department authorized a U.S. company to stage a major exhibit in Cuba of U.S.-made medical products. The five-day exhibit was held in late January 2000 in Havana, will close to 300 Americans, representing almost 100 U.S. firms, displaying their products. BXA issued almost 70 licenses for the temporary export of goods displayed at the exhibition. Since then, about 30 licenses have been approved for the permanent export, either by sale or donation, of medical goods to Cuba.

Nonproliferation and Export Control Cooperation. During the period August 19, 1999, to February 19, 2000, BXA’s Nonproliferation and Export Control (NEC) International Cooperation Program hosted, participated in, and/or coordinated 26 technical exchanges on export controls in conjunction with representatives from the Departments of State, Defense, Energy, Justice, and the Treasury (U.S. Customs Service). These programs sought not only to familiarize the governments of Russia, Central Europe, the Balkans, the Baltics, the Caucasus, and Central Asia with the major elements comprising an export control system that meets international

standards for effectiveness, but also to assist the governments in developing and strengthening their own national export control systems. These elements involve five functional areas: the legal and regulatory framework necessary for an effective export control system, licensing procedures and control lists, enforcement mechanisms, industry-government relations, and system administration and automation support. Programs conducted during this period also included special activities and multilateral conferences that related to NEC objectives. These programs have contributed to a reduction of the proliferation threat from and through the participating countries by strengthening these countries' national export control systems.

Regulatory Actions: Published and Pending

Encryption. On January 14, 2000, BXA published a rule implementing the White House's streamlined encryption policy announced on September 16, 1999, as well as changes based on a Wassenaar Arrangement agreement. This rule simplified exports of encryption while continuing to protect important national interests. See Section B above for additional detail.

High Performance Computers. On February 1, 2000, the President announced an update to the HPC export control policy. See Section B above for additional detail on the pending regulatory changes.

Kosovo. On November 5, 1999, BXA published a rule exempting exports to Kosovo from the sanctions imposed on Serbia in May 1999.

Export Clearance. On October 4, 1999, BXA and the Census Bureau jointly published proposed rules and request public comment on clarifying export clearance, including the definition of exporter and the requirements for filing a Shipper's Export Declaration. After review of public comments, both agencies will jointly publish final rules.

Syria. On September 16, 1999, BXA published a change to the Export Administration Regulations that revised the license review policy for the export and reexport to Syria of certain aircraft parts and components. As a result of this change, license applications for aircraft parts and components intended to ensure the safety-of-flight of Syria's civil passenger aircraft are reviewed on a case-by-case basis with a presumption of approval.

Libya. On September 13, 1999, BXA revised the Export Administration Regulations to reinstate provisions of license exception AVS (aircraft and vessels) for temporary reexports to Libya of foreign-registered aircraft subject to the EAR, allowing these aircraft to fly to and from Libya without a reexport license. This change was made in response to the suspension of United Nations sanctions against Libya.

Export License Information

During the reporting period, BXA continued to receive many requests for export licensing information through the Freedom of Information Act and through discovery requests during enforcement proceedings. Under section 12(c) of the Export Administration Act, BXA continues to withhold from public disclosure information ob-

tained for the purpose of consideration of, or concerning, export license applications, unless the release of such information is determined by the Under Secretary to be in the national interest, pursuant to Executive Order No. 12924 directive to carry out the provisions of the Export Administration Act, to the extent permitted by law.

Export Enforcement

Export Enforcement continued, through its three constituent offices, its programs of prevention of diversions, investigation/enforcement of the export control provisions of the Export Administration Regulations, and enforcement of the antiboycott provisions of the Export Administration Regulations.

Office of Enforcement Analysis

Preventive/Compliance Activities. Office of Enforcement Analysis (OEA) prevention activities included designing a systematic plan to target and prioritize pre-license checks (PLCs) and post-shipment verifications (PSVs) conducted by representatives of U.S. diplomatic posts. The purpose of the plan is to ensure that the PLC and PSV programs, which are coordinated by BXA's Export Enforcement, reflect the full range of U.S. export control concerns and use available resources as effectively as possible.

PLCs validate information on export license applications, including the reliability of end-users. In contrast, PSVs strengthen assurances that exporters, shippers, consignees, and end-users comply with the terms of export licenses and licensing conditions that are intended to deter diversions from approved end-users and end-users of dual-use exports. The overall objective for conducting PLCs and PSVs is to detect and prevent the illegal transfer of controlled U.S.-origin goods and technology.

Another major preventive enforcement activity of OEA is the compiling of information regarding parties or export control concern and maintaining these names on Export Enforcement's watch list. All of the parties included on this watch list are screened against names listed on export license applications received by BXA. OEA analysts review all applications in detail that include a match against a party on the watch list to assess diversion risks, identify potential violations, and determine the reliability of proposed end-users of controlled U.S.-origin commodities or technical data.

NDAA Activities. As required by the National Defense Authorization Act for FY1998 (NDAA), BXA delivered to the Congress its second annual report on high-performance computer (HPC) exports. The report, delivered December 13, 1999, identified HPC exports with processing speeds over 2,000 Million Theoretical Operations Per Second (MTOPS) to "Tier 3" countries. OEA has responsibility for implementing the NDAA/HPC Program.

Visa Review Program. During the reporting period, OEA continued restructuring its Visa Application Review Program to prevent unauthorized access to controlled technology or technical data by foreign nationals visiting the United States. The Office has developed new criteria and thresholds for evaluating visa applications for targeting purposes. OEA has narrowed its focus and con-

centrated on specific products most often used in weapons of mass destruction projects. OEA's evaluation and analysis of visa application cable traffic involves preventive enforcement efforts such as recommending denial of certain visas and the referral of enforcement leads to Office of Export Enforcement (OEE) field offices for possible case development. In some instances, OEA analysis uncovered possible visa fraud on the part of the foreign applicant. These findings were forwarded to the State Department's Fraud Unit for further investigation and action.

Shipper's Export Declaration Review Program. OEA systematically reviews Shipper's Export Declarations (SEDs) field by exporters. Using a computerized index of data fields, OEA produces a list of SEDs targeted for closer review. These reviews focus particularly on licensed shipments, shipments bound for destinations of concern, and shipments of strategic commodities of proliferation concern. Through these reviews, OEA identifies SEDs that may indicate violations of the Export Administration Regulations and refers to OEE special agents for further enforcement actions.

Office of Export Enforcement

The Office of Export Enforcement opened 531 and closed 440 investigations during the reporting period.

Office of Antiboycott Compliance Activities

The Office of Antiboycott Compliance continued to supply the State Department with information on boycott requests received by U.S. persons. The State Department uses this information in its discussions with boycotting countries concerning ending the Arab boycott of Israel. The Office of Antiboycott Compliance opened 6 and closed 15 investigations during the reporting period.