

Highlights of GAO-04-175, a report to Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

Cruise missiles and unmanned aerial vehicles (UAV) pose a growing threat to U.S. national security interests as accurate, inexpensive delivery systems for conventional, chemical, and biological weapons. GAO assessed (1) the tools the U.S. and foreign governments use to address proliferation risks posed by the sale of these items and (2) efforts to verify the end use of exported cruise missiles, UAVs, and related technology.

## **What GAO Recommends**

The Secretary of Commerce should assess and report to the Committee on Government Reform on the adequacy of an export administration regulation provision to address missile proliferation by nonstate actors and on ways the provision might be modified.

The Secretaries of State, Commerce, and Defense each should complete a comprehensive assessment of cruise missile, UAV, and related dual-use transfers to determine if U.S. exporters and foreign end users comply with conditions related to the transfers.

Commerce and Defense partially agreed with the recommendations. State disagreed to complete an assessment, but said it would pay special attention to the need for more checks on cruise missile and UAV transfers.

#### www.gao.gov/cgi-bin/getrpt?GAO-04-175.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph A. Christoff at (202) 512-8979 or christoffj@gao.gov.

# **NONPROLIFERATION**

# Improvements Needed to Better Control Technology Exports for Cruise Missiles and Unmanned Aerial Vehicles

### What GAO Found

The growing threat to U.S. national security of cruise missile and UAV proliferation is challenging the tools the United States has traditionally used. Multilateral export control regimes have expanded their lists of controlled technologies, but key countries of concern are not members. U.S. export control authorities find it increasingly difficult to limit or track unlisted dualuse items that can be acquired without an export license. Moreover, a gap in U.S. export control authority enables American companies to export certain dual-use items to recipients that are not associated with missile projects or countries listed in the regulations, even if the exporter knows the items might be used to develop cruise missiles or UAVs. American companies have in fact legally exported dual-use items with no U.S. government review to a New Zealand resident who bought the items to build a cruise missile.

The U.S. government seldom uses its end-use monitoring programs to verify compliance with conditions placed on the use of cruise missile, UAV, or related technology exports. For example, State officials do not monitor exports to verify compliance with license conditions on missiles or other items, despite legal and regulatory requirements to do so. Defense has not used its end-use monitoring program initiated in 2002 to check the compliance of users of more than 500 cruise missiles exported between fiscal years 1998 and 2002. Commerce conducted visits to assess the end use of items for about 1 percent of the 2,490 missile-related licenses we reviewed. Thus, the U.S. government cannot be confident that recipients are effectively safeguarding equipment in ways that protect U.S. national security and nonproliferation interests.



Source: Department of Defense.