

29 June, 2011

REPORT

on

holding international conference on export controls in Kyiv on 7-9 June, 2010

The International Conference “Current Trends in the Development of Export Controls: International and National Aspects” took place in Kiev, Ukraine on June 7-8, 2011. The logistical and organizational support of the Conference was provided by Scientific and Technical center on Export and Import of Special Technologies, Hardware and Materials (STC) in accordance with Statement of Work issued by the Office of the Chief Financial Officer, Procurement Department, Argonne National Laboratory (Attachment No. 1 to Work Order No. 8J-00101-005A).

The agenda of the conference was prepared by STC in coordination with Argonne National Laboratory, DOE. The final version of Agenda is attached.

The invited participants of the conference from Ukrainian side (more than 140 persons) represented executive authorities of Ukraine (30 persons), Ukrainian industry (83 persons), academy and research institutions (26 persons), nongovernmental organizations (9 persons). Foreign participants of the conference: U.S. Department of Energy, U.S. Embassy in Ukraine, U.S. Department of Commerce, Center for International Trade and Security, University of Georgia, U.S.A., Swedish Radiation Safety Authority (SSM), and Federal Office of Economics and Export Control (BAFA), Germany.

According to the Agenda of the Conference the first day of this event included four working sessions, each dedicated to special issues of nonproliferation and export controls, namely:

- Session 1. Current Trends in the Development of Export Controls;
- Session II. Changes to the Export Control System in Ukraine and in the U.S.;
- Session III. Nuclear Nonproliferation. The Role of Ukraine in Strengthening International Nonproliferation Regime; and
- Session IV. Swedish-Ukrainian Cooperation on Improvement of the Export Control System in Ukraine.

During the second day of the Conference three following working sessions were held:

- Session I. Enforcement and Customs;
- Session II. Implementing ICP and Industry Outreach;
- Session III. Summing up results of the conference.

During Session I two presentations were made. The first presentation made by the Chairman of SSECU Volodymyr Demiokhin was dedicated to main trends of future development of the export control system in Ukraine. The core idea of future changes is to simplify the export control requirements in order to create more favorable conditions for Ukrainian industry in the process of international transfers of controlled goods and technologies.

Presentation on UN Arms Trade Treaty (Anne Charlotte Merrell Wetterwik, the Center for International Trade and Security, University of Georgia, the USA) aroused interest of the participants considering the adoption of this Treaty will no doubt have influence on the legislation and procedures for export control for military goods in Ukraine.

The already made changes to Ukrainian law on export control over military and dual-use goods and those which are to be made in the nearest future were presented during Session II on the first day of the conference. The speakers (Oleksandr Hryshutkin, Head of the Public Council at the SSECU, and Nataliya Mats'ko, Chief Specialist, SSECU) told in detail about changes to the law and prospects of making corresponding changes to secondary legislation of Ukraine.

In his presentation the representative of BAFA, Mr. Werner Knapp, spoke about further necessary steps in Ukraine's transition to the Single Control List of Dual-Use Goods. He underlined that in order to transit to this list it is necessary to make corresponding changes to the Cabinet of Ministers of Ukraine Decree which regulate international transfers of dual-use goods.

Forthcoming export control reform in the United States was represented by Mr. Anatoli Welihozkiy from the U.S. Department of Energy. This radical export control reform (including a single military and dual-use list as a final result) will for sure influence both European and Ukrainian approaches to many aspects of export control.

Judging from the questions put by Ukrainian participants during this and other sessions they are deeply interested in simplifying the process of obtaining permits (licenses), first of all regarding the number of various documents to be submitted to licensing body (SSECU). In this connection, it would be extremely useful for Ukrainian officials and industry to go thoroughly a question of the licensing requirements in the European Union countries and U.S. in order to use the best practices in this area in Ukraine.

Session III (Day 1 of the Conference) was devoted to the international problems of nuclear nonproliferation and the role of Ukraine in strengthening international nonproliferation regime. The presentations made by Ukrainian participants (Mr. Andrii Kas'yanov from MFA, Mr. Serghiy Lopatin from State Nuclear Regulatory Inspectorate and Mrs. Polina Sinovets from Odessa National University)

demonstrated the active stand of Ukraine in international efforts to prevent nuclear proliferation and threat of nuclear terrorism.

Also, the interest of the audience was aroused by perspectives in changing nuclear export controls in the United States reflected in the presentation of a representative of the U.S. National Nuclear Security Administration.

Session IV (Day 1 of the Conference) was wholly devoted to the results of Swedish-Ukrainian cooperation on Improvement of the Export Control System in Ukraine. At this session presentations were made by Sarmite Andersson (Swedish Radiation Safety Authority), Alexander Siver (STC), Alexandra Bovenko (STC) and Valeriy Tuz (Independent Expert). Unfortunately, the discussion on these results was not such active as we expected.

The reason, in our opinion, is that the report on this work was completed and sent to the enterprises half a year ago. In order to get the mainstream audience acquainted with the results of this work and based on them proposals concerning making changes to Ukrainian export control legislation, we are publishing the papers on the European export controls in the Export Control Newsletter publication of which is sponsored by the U.S. Department of Energy. The presentation of the second issue of this Newsletter was made by Dr. Hryhoriy Perepelytsya at the beginning of the Conference.

The second day of the Conference consisted of two working sessions: 'Enforcement and Customs' and 'Implementing ICP an Industry Outreach'. The representative from SSECU (Mr. Serhiy Ryabov) in his presentations on law enforcement and prevention of violations talked about current state and perspectives of this component of export controls in Ukraine. It was noted, *inter alia*, that some problems faced by export control officials in connection with law enforcement are caused by the lack of clear sharing of responsibilities between state bodies involved in the export control system of Ukraine.

Law enforcement practice in the United States was described in detail in the presentation of a representative of the U.S. Department of Commerce Mr. Michael Rufe. The role of interagency cooperation in prevention and detection of violations related to export of dual-use goods by the example of Germany was demonstrated the representative of BAFA Mr. Werner Knapp.

The audience's considerable interest was aroused by the presentation on peculiarities of customs clearance of controlled goods made by Mr. Oleksandr Dmytrenko from the Customs Service of Ukraine. This presentation revealed certain problems occurred during customs clearance of exports of controlled goods and confirmed the advisability to study and analyze the best practices of foreign countries in this field.

Session II of the second day of the Conference was devoted to implementing ICP and industry outreach issues. The representative of the State Service for Export Control of Ukraine, Mrs. Liudmila Checheyuk, proved demonstratively the efficiency of ICP systems implemented at Ukrainian enterprises and described the role of the SSECU in establishing and supporting corresponding ICP units.

The issues of preventive enforcement and industry outreach aimed at preventing violations in the area of export control were reflected in the presentation of Mr. Michael Rufe (a representative of the Office of Export Enforcement of the U.S. Department of Commerce).

The presentation of the project on educational course on export control for future diplomats was made by Dr. Perepelytsya, Director of the Foreign Police Institute of the Diplomatic Academy under MFA of Ukraine. This project aroused interest of the participants. At the same time, during the discussion of this presentation many participants of the Conference stated opinion that it would be desirable to develop a special educational course on export controls designed for future scientists and engineers.

At the conclusion of this session there was made a presentation (Vyacheslav Kolyada, STC) summing up the results of analysis of questionnaires filled by specialists of enterprises and research institutions of Ukraine.

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