

CHINA'S STRATEGIC TRADE CONTROLS AND U.S.-CHINA COOPERATION ON NONPROLIFERATION

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Thank you for the invitation to testify. My colleagues and I at the Center for International Trade and Security at the University of Georgia conduct research, analysis, and outreach to promote better trade and security policies and practices worldwide from our two offices in Athens, Georgia and Washington, DC. We have worked in over 40 countries and have focused considerable attention on nonproliferation export control issues in China during the past decade. I am pleased to share our observations with the Commission.

Introduction

As we enter the second half of 2007, China's strategic trade controls and U.S.-China cooperation on nonproliferation are at a critical juncture. The United States and China are global trade leaders, though in a world facing serious state and non-state weapons proliferation threats. Over the last several years, China has been working to advance its export control system to address those common threats and become a more responsible international actor, yet it continues to encounter many challenges. Moreover, despite mutual and international security concerns, U.S.-China engagement on nonproliferation export control has yet to gain traction. Meanwhile, U.S. non-governmental entities have been working with Chinese partners to establish U.S.-China cooperation in this area. Indications are that those efforts have helped produce notable advancements in China's export control system, and they would benefit from even greater U.S.-China engagement on these issues.

Avenues to more robust U.S.-China cooperation on export control and nonproliferation do exist and need to be exploited and enhanced to a greater degree. While legal and political restrictions currently limit the extent of government-to-government cooperation on nonproliferation and export control, there have been recent attempts to expand the scope and level of engagement in those areas. In addition, U.S.-based non-governmental entities (in conjunction with their Chinese counterparts) have forged productive pathways toward more fruitful cooperation in recent years. These pathways have helped fill the gaps left by the limitations on government-to-government engagement, and have laid the groundwork for greater cooperation in the future.

With the above in mind, this statement will focus on the development of China's strategic trade controls and U.S.-China export control cooperation in order to address the following subjects: 1) what the U.S. can do to encourage or assist China in complying with its nonproliferation obligations and more fully implement its export controls; 2) what the U.S. can do to encourage or assist China in becoming more involved in the broader global nonproliferation agenda; and 3) the role China has played and can continue to play in international nonproliferation and export control efforts. To provide

insight into those topics, I will share some of the results and observations from my Center's work and experience in China. I will first give a brief overview of the development of China's export-control system from 1994 to 2004, which has been described as the era of *de jure* export control in China. I will discuss both the progress and shortcomings of that period. I will then provide a summary of the U.S.-China cooperative initiatives on export control that have taken place since 2004, wherein I emphasize that while there has been some government-to-government cooperation in this area, the majority has occurred in the non-governmental arena. I then will turn to a description of the most recent developments in China's export control system, noting not only the continued progress China is making but also the role that cooperative initiatives such as ours have had in promoting such progress. In closing, I will offer specific responses to the questions posed by the commission. It is my sincere hope these remarks will provide information and perspectives that will be of use to the important work of the Commission and other relevant actors in the United States.

Background on China's Export Control System, 1994-2004

The Center's research of China's export control system began in 1996, when the Chinese system was nascent and largely opaque. Since then, we have conducted several studies on China's export control development.¹ Each successive analysis demonstrated discernible progress, yet each report also noted significant disparity between Chinese export controls and international standards. In our most recent assessment, which covered the development of China's system through 2004 and was published in early 2005, we observed that capacity and political will were the key remaining shortcomings and challenges to improving China's system.²

The contemporary development of China's export control system began in the mid-1990s. By the end of 1995, China had promulgated its first formal export control regulation (on chemical weapons-related items) and issued its first white paper on Chinese nonproliferation and arms control policies. Nuclear-related regulations were instituted in 1997 (covering nuclear exports) and 1998 (covering nuclear dual-use items), following China's admission to the NPT Exporters Committee (the Zangger Committee). The Chinese government issued its first set of arms export regulations in 1997. During that time, China did not address missile or biological-related export controls in its regulations, although it provided some information in annual arms control white papers. In 2002, China promulgated a series of new or amended regulations covering a range of strategic commodities and technologies, including chemical, biological, missile, and munitions. Those regulations included control lists that were reflective of the multilateral export control regimes such as the Australia Group (AG) and Missile Technology Control Regime (MTCR), export control licensing processes, and more advanced controls, such as end-use based "catch-all" controls.

¹ See e.g.: Richard T. Cupitt and Yuzo Murayama, *Export Controls in the People's Republic of China: Status Report 1997* (Athens, GA: CITS, 1997) and Richard T. Cupitt, "Nonproliferation Export Controls in the People's Republic of China," in Michael D. Beck, Richard T. Cupitt, Seema Gahlaut, and Scott A. Jones, eds., *To Supply or To Deny: Comparing Nonproliferation Export Controls in Five Key Countries* (London: Kluwer Law International, 2003), pp. 117-142. Another useful source of data and information on the history and development of China's export control system is the Nuclear Threat Initiative (NTI) "China WMD and Arms Control Database," produced for NTI by the Center for Nonproliferation Studies at the Monterey Institute, and available online at <<http://www.nti.org/db/china/index.html>>.

² See: Jonathan E. Davis, *Export Controls in the People's Republic of China* (Athens, GA: CITS, 2005), available online at <<http://www.uga.edu/cits/documents/pdf/CITS%20China%20Final.pdf>>. Another comprehensive study of China's export control system from 2005 is *Chasing the Dragon: Assessing China's System of Export Controls for WMD-Related Good and Technologies* by Dr. Evan S. Medeiros of the RAND Corporation, available online at <http://www.rand.org/pubs/monographs/2005/RAND_MG353.pdf>.

From 2002 through 2004, the Chinese government worked to implement its national control system and sought to integrate China into the multilateral export control arrangements. In December 2003, the Chinese government issued its first nonproliferation policy paper specifically to address China's developing export controls. The following year, the National People's Congress (NPC) passed an amended Foreign Trade Law (2004) that opened China's foreign trade to individual importers and exporters, further under-girded its domestic system of controls, and included a wider range of criminal and administrative penalties for violations. In 2004, China joined the Nuclear Suppliers Group (NSG) and began membership talks with the Australia Group and the Wassenaar Arrangement (WA). During this period China also continued to issue nonproliferation white papers on an annual basis emphasizing the importance of export controls, instituted an electronic export licensing system, and began a series of outreach efforts and training exercises for its Customs service and major strategic enterprises. Also in 2004, the Chinese media reported the first public disclosure of an export control violation and punishment, although the report lacked details on the identity of the violator or the precise penalty for the offense.

China's first decade of *de jure* export control was a productive and significant one; however, it left several gaps in areas that required attention. China remained outside the Wassenaar Arrangement and Australia Group, and its 2004 application for membership in the MTCR was rejected. Furthermore, from the mid-1990s through 2004, several Chinese companies were sanctioned pursuant to U.S. nonproliferation law, with many of the companies sanctioned several times, in particular for reported chemical- and missile-related transfers to Iran. Additional shortcomings of that period included inadequate training and resources, along with concerns over China's capacity to implement its export control laws and procedures. Finally, China's export control system still either lacked or insufficiently defined some of the more complex export-control mechanisms. For example, China had no legal basis to control brokering and transshipment activities, and controls on transfers of strategic technology were not clearly formulated. However, through its own initiative and through cooperation with entities in the United States, China began to address many of these issues.

U.S.-China Export Control Cooperation, 2004-present

Overview of U.S.-China Export Control Cooperation

Before offering my observations on the most recent developments in China's export control system, I would first like to discuss the U.S.-China cooperative endeavors that have occurred since 2004, when our Center last conducted a complete assessment of China's export control system. I will provide a brief overview of some of the U.S. governmental and non-governmental initiatives of which I am aware, and then I will focus on the work our Center at the University of Georgia has done and is doing in China.

Overall, there has been relatively little government-to-government engagement or cooperation between the United States and China on export controls, due largely to political and statutory restrictions. Those restrictions stem from legislation passed in the early 1990s in response to Tiananmen Square that limited the types and amount of assistance the U.S. government could provide to China. Recently, there have been some efforts to promote government-to-government cooperation on export control. In 2004, the Chinese Ministry of Commerce (MOFCOM) and the U.S. Department of Commerce (DOC) reached an agreement on end-use verifications for exports of controlled items from the United States to

China under the Joint Commission on Commerce and Trade (JCCT). Subsequently, MOFCOM and DOC established the “U.S.-China High Technology and Strategic Trade Working Group” under the JCCT in April 2006 and held a joint export control workshop for Chinese industry in Shenzhen in January 2007. There also has been some bilateral cooperation between the U.S. and Chinese Customs services, with Shanghai and Shenzhen becoming Container Security Initiative (CSI) ports in recent years.

At the same time, think-tanks, research institutes, universities, and private firms have engaged their Chinese counterparts and others in China on the issue of export control and nonproliferation in Track II-type dialogues or academic settings. For example, our colleagues at the Center for Nonproliferation Studies at the Monterey Institute co-coordinate the annual *U.S.-China Arms Control, Disarmament, and Nonproliferation Conference*, which addresses export controls among other issues, and host several training programs on nonproliferation and arms control for Chinese experts and government officials. At the regional level, there is the Council for Security Cooperation in the Asia Pacific (CSCAP), a Track II forum on security in Asia that has been ongoing since 1993. In 2005, CSCAP formed an “Export Control Experts Group” which includes Chinese experts is co-chaired by the U.S. CSCAP Committee and our colleagues in the Center for Strategic and International Studies (CSIS) Pacific Forum. Of course, Chinese experts participate in the annual *International Nonproliferation Conference* organized by the Carnegie Endowment for International Peace, the former home of my fellow panel member, Mr. Joseph Cirincione. Other export control-related forums and initiatives coordinated by U.S. entities and involving Chinese participants include conferences and seminars put on by various firms and trade/manufacturing associations such as the annual *Global Trade Controls Conference* organized by MK Technology. Initiatives like these (as well as our own), will often receive some form of official encouragement or support, which is helpful and at times necessary, but could be even more productive with greater government involvement.

I should also mention some of the non-governmental organizations and institutions in China that have worked to promote export control awareness and bilateral cooperation. The China Arms Control and Disarmament Association (CACDA) has been a leader in this field and is involved in several export control-related initiatives. Experts from other key institutions such as the Chinese People’s Association for Peace and Disarmament (CPAPD) and the Chinese Institute for Contemporary International Relations (CICIR), in addition to faculty and research centers at some of China’s finest universities - including Tsinghua University in Beijing and Fudan University in Shanghai - also participate in such initiatives. These non-governmental efforts are either in conjunction with or in addition to the export control work conducted both in China and in the United States by my own Center. I am pleased now to share our efforts with you.

CITS Work and Cooperation in China

The Center for International Trade and Security at the University of Georgia began its work in China just over ten years ago. Our initial focus of study was China’s developing strategic trade control system, which we first evaluated in 1996. Since then we have updated the evaluation on roughly a biennial basis and have expanded our activities from research into outreach and training. We rely primarily on the support of private foundations such as the Carnegie Corporation of New York, the Ford Foundation, the MacArthur Foundation, and the Japan Center for Global Partnership (CGP).

CACDA has been our primary partner in China, and our CACDA colleagues have been instrumental in making our work there possible.³

Our work supported by CGP, Ford, and MacArthur has focused primarily on training Chinese companies to comply with export control regulations. With CGP support, for example, we have collaborated with a Japanese organization, the Center for Information on Security Trade Control (CISTEC), on training workshops in Tokyo and Beijing. Those workshops provided training to select industry representatives in China on developing and deploying internal compliance programs (ICPs), which help ensure that companies stay in line with national and international obligations and avoid inadvertent transfers of proliferation-relevant items. With Ford and MacArthur support, we have worked with and supported actions by other stakeholders, including academia, media, and non-profit organizations, to strengthen industry compliance with export controls in China. In total, since 2004, we have co-coordinated and participated in six outreach activities involving Chinese strategic enterprises and two seminars for customs officers in China, provided specialized export control training for Chinese practitioners and experts at the University of Georgia, and hosted several Chinese delegations for exchange visits through our office in Washington, DC.

We have also developed the *China-U.S. Working Group on Trade and Security* in coordination with CACDA and support from the MacArthur Foundation. The Working Group is an effort that draws upon Chinese and American experts and specialists to address key national and international nonproliferation and export control issues currently facing the two countries. The goals of the Working Group are to increase awareness and understanding of these issues, to exchange ideas and experiences on some of the more technical aspects of strategic trade control, and to offer viable solutions to the challenges involved in promoting U.S.-China relations regarding high-technology trade. Through sustained dialogue and a robust and creative program of research and outreach activities, the Working Group hopes to contribute to U.S.-China cooperation and compliance on export control and nonproliferation issues. While the Working Group focuses primarily on issues involving China and the United States, the expectation is that its efforts will be a positive influence on broader trade and security issues with both bilateral and global relevance. The following are some of the key issues on the Working Group agenda:

- Recent developments in Chinese and U.S. export controls;
- Issues of international concern, such as the control of intangible technology transfers, end-use/-user or “catch-all” controls, and controls on brokering activities;
- Industry compliance and export management;
- Increasing formal U.S.-China cooperation in the area of export controls;
- Customs and export control enforcement;
- Global, multilateral, and regional export control regimes and initiatives; and
- Other trade and security issues important to both China and the United States.

In many respects, the Working Group is intended to complement the export-control-related work and dialogue of the Joint Committee on Commerce and Trade (JCCT). And, because of the Working Group’s informal structure, it can act more quickly to address emerging and sometimes sensitive or contentious issues.

³ Chinese Arms Control and Disarmament Association (CACDA) website, <<http://www.cacda.org.cn/english/export/INDEX.ASP>>.

I believe one of the most important activities institutions in the United States can undertake is to work with Chinese industries and companies to enhance their awareness and compliance with international nonproliferation and export control standards. Our Center's experience with China North Industries Corporation (NORINCO) is illustrative of the benefits of this sort of cooperation. NORINCO is a major import/export and marketing company under one of China's top state-owned defense holding companies, the China North Industries Group Corporation (CNGC). NORINCO was the subject of seven U.S sanctions beginning in 2003. In 2006, the company's leaders approached our Center and asked for assistance in developing their export control internal compliance program. After a series of exchanges and discussions on the nature of the proposed cooperation, we began our work in this unique endeavor.

Our University of Georgia Center is now actively promoting strategic trade awareness and compliance in NORINCO. We have reviewed the company's existing internal compliance procedures and offered insight to its executives on how to institute comprehensive internal controls on strategic exports. We provide training to company executives to familiarize them with international developments in export controls, the current state of U.S. export control policy and practice, and the relevance of these developments to the company in the short and long term. Our Center also provides comprehensive export control and internal compliance training to company employees who are actively engaged in strategic trade operations. In the near future, we will provide export control training to a broad spectrum of NORINCO employees to raise nonproliferation awareness and understanding throughout all levels of the company. In addition, NORINCO is supporting our efforts to conduct industry outreach activities for Chinese industry in the form of seminars, workshops, and briefings, and by translating into Chinese and disseminating our Center's export control newsletter to audiences in China.

Recent Developments in China's Export Control System

Although many factors are at work, I believe engagement like ours is important in promoting positive export control developments in China. There have been significant and positive changes in many facets of China's export control system over the last eighteen months. While the changes to China's export controls have occurred primarily in the legal/regulatory sphere, with the introduction of new measures and the amendment of existing ones, there also have been noteworthy developments in the areas of industry compliance, international participation, and implementation. However, most would agree that work remains to strengthen China's export control system. For example, it is apparent that many of China's smaller and medium-sized companies are in need of export control training and the development of internal compliance programs. In addition, the Chinese system is still without comprehensive controls on brokering activities and intangible transfers of technology (ITT). Moreover, developments must be evenly balanced across the country, especially now that localities are to play a greater role in licensing, government outreach to industry, and enforcement. Overall, China is on a path of positive development with respect to its nonproliferation export controls. Continued and increased encouragement and assistance from the United States will not only help ensure that it remains so, but could prove to be an avenue to greater cooperation in other areas of the bilateral relationship.

From late 2005 through early 2007, China executed a dramatic overhaul of its export control legal foundations with new or updated measures in almost every sphere of control.⁴ In December 2005, the Chinese Ministry of Commerce (MOFCOM) issued Circular No. 548 on *Reform of the Administrative Approval System for the Import and Export of Sensitive Items and Technologies*, which commissioned China's provincial, municipal, and other local entities to serve as the initial reviewers of export permit applications for dual-use goods and technologies. 2005 ended with MOFCOM and the General Customs Administration (GAC) issuing the most comprehensive and sophisticated regulation to-date, Order No. 29 on *Measures for the Administration on Import and Export License for Dual-Use Items and Technologies*. These measures authorized the creation of a comprehensive national control list, expanded the scope of catch-all and transit/transshipment controls, and laid the foundation for broader coverage of technology transfers. For example, the measures amended a previous regulation that required an exporter to seek a license if he or she knew or should have known that the export item "will be used" for a WMD-related purpose to require that license when the exporter knows or should know "there is a risk the item will be used" for a WMD-related purpose. These measures signal that China's export control system is moving to a more advanced level of development.

Further, in 2006 and 2007, the Chinese government strengthened export controls in several specific areas. In July 2006, the Commission on Science and Technology in National Defense (COSTIND) and the GAC issued Notice No. 50 (2006), which established temporary export control measures for graphite-related products, pursuant to its *Nuclear Dual-Use Export Control Regulation*. Notice No. 50 applied dual-use export licensing and clearance procedures to a list of seven graphite-related items with potential nuclear application. Also in July 2006, MOFCOM released an updated *Dual-Use Biological Agents and Related Equipment and Technologies Export Control List* that subjected exports of 14 new bio-related items to control and reflected updates in the Australia Group (AG) dual-use control list. In August 2006, MOFCOM and GAC established the requirement that specific civil aviation parts - those with potential missile dual-use application - would be subject to either the *Missile Dual-Use Export Control Regulation* (2002) or the *Measures for Dual-Use Export Licensing* (2005). In September 2006, MOFCOM issued new regulations on the import and export of precursor chemicals which included provisions meant to strengthen licensing requirements for those items. In December 2006, the PRC State Council promulgated an amended set of regulations on the control of nuclear exports, aligning the regulations more closely with China's NSG obligations. On the last day of 2006, the GAC and MOFCOM issued the latest version of China's control list. Finally, in February 2007, the PRC State Council expanded China's nuclear dual-use export regulations to address issues of potential re-production and re-transfer of imports from China, reportedly in recognition of the growing threat of nuclear terrorism.

Recently, China also has been more involved in bilateral and multilateral cooperation on export controls. China participated in a series of bilateral conferences and exchanges on export controls with the European Union, Japan, and the United States, and held discussions with representatives from various multilateral regime representatives in 2006. China also held a bilateral forum on export control with the United Kingdom in March 2006 that was followed by a June 2006 meeting between Chinese and EU export control officials in Beijing to discuss ways to broaden and deepen China-EU

⁴ This section is based largely on our continuing research on China's export control system, some of which has recently been summarized in a piece by CITS analysts Jay P. Nash and Richard Glen Young, entitled "East Asian Export Control Update: Continuing Development in Key Supplier and Transit States," *International Export Control Observer*, no. 10 (Monterey, CA: Center for Nonproliferation Studies, March/April 2007), pp. 16-17, available online at <http://www.cns.miis.edu/pubs/observer/pdfs/ieco_10e.pdf>. CITS is in the process of producing an updated version of its 2005 report on China's export control system that we plan to release this fall.

cooperation on export controls. In addition, that June, Chinese officials participated in a round of negotiations in Beijing with an Australia Group delegation that included the AG Chairman and representatives from several Chinese ministries. Finally, in early 2007, Chinese experts, officials, and industry representatives participated in export control seminars with the EU and United States.

Other notable developments in the past eighteen months have included signs of increased transparency, enforcement, and high-level government support, demonstrating that export controls are increasingly accepted and implemented in China. Party and State leaders in China have “attached great importance” to implementing China’s export controls according to a February 2006 public notice. Similarly, in April 2006 Chinese Premier Wen Jiabao proclaimed that China is “stepping up” its enforcement efforts to improve its export control system. Following word with action, in September 2006, the Chinese government published the identity of an export-control offender, along with details of the violation and the penalty - a RMB10,000 (US \$1,300) fine - for attempting to export a controlled chemical without a license. This marked the first time information such as this was publicly disclosed. Further transparency has been demonstrated by the increasing amount of information about export controls, in both Chinese and English, made available on Chinese government agency websites.

To complement its regulatory enhancements, international cooperation, and movement towards stricter enforcement, China has also begun an active industry outreach program. Several workshops and seminars have taken place in the last eighteen months, with several more planned for the months ahead. In September 2006, several key Chinese ministries, including MOFCOM, the Commission of Science, Technology, and Industry for National Defense (COSTIND), and the Customs Administration, conducted export control training for approximately 120 enterprises in Shanghai. There was also a special training held in Dalian, China, following changes to China’s nuclear export controls in late 2006. China’s Public Security Bureau (PSB) participated in two training sessions for dual-use exporters last month (June 2007), one in Hebei Province and one in Yunnan Province. It is important to note this kind of training is increasingly offered in China’s provinces and localities, not just in major centers like Beijing and Shanghai.

It is my impression that China’s industry leaders understand the need for - and are sincere in pursuing - export control system development and reform. More of them are interested in becoming informed about international export control standards and practices. Many of them eagerly send company representatives to the informational programs and training sessions that we and others offer. They are doing their homework, asking insightful questions, and appear enthusiastic about learning the policies and practices of modern export controls. It is my distinct impression that the relevant leaders and officials in China are making significant progress on a topic that was largely unknown to them in previous years. As an example, NORINCO’s internal compliance program has undergone significant and very positive changes in the last year. Attendees at a recent industry outreach seminar in Beijing praised NORINCO for its efforts to create a comprehensive internal compliance program; this led to representatives from other Chinese strategic enterprises expressing their intent to create similar compliance programs in the near future.

Finally, we should also call attention to the efforts of certain faculty and programs in Chinese universities to promote nonproliferation and export control awareness, education, and understanding. Scholars at Fudan University, for example, have been active on this front for over a decade and will host a conference later this month in Shanghai, reaching out to faculty and programs in other Chinese universities about these issues. China Foreign Affairs University, Tsinghua University, and Beijing University are also giving attention to these concerns and have the capacity along with Fudan

University to embed more nonproliferation and export control training in the curricula. Strategic trade-control curriculum development is also being considered at Shanghai Customs University, one of the key training centers for China's national customs service.

Conclusion and Recommendations

Considerable opportunities exist for further cooperation between China and the United States on nonproliferation export controls. China's remaining export control challenges are now less the result of fundamental policy differences with the United States and other Western countries and more a matter of the China's capacity to implement and enforce its newly outlined export control standards. It is premature to gauge how well China will implement its new regulations or whether its behavior in its own national control system and within the multilateral supplier regimes, such as the Nuclear Suppliers Group, will bring forth "growing pains." However, on balance, given China's steady investment in improving its domestic infrastructure and its engagement with the regimes, I believe the probability of improved behavior and performance will increase over time.

I further believe that U.S. engagement is critical to maintaining the positive trajectory of Chinese export control development. High level and official dialogue, regular information exchanges, export control assistance, and related confidence-building measures are all important. Continued progress requires sustained political commitment from China, as well as recalibrated international assistance. U.S. leaders should recognize and continue to encourage the progress China is making. They should work cooperatively with their Chinese counterparts to refine policies and practices, and improve export control implementation in both countries. U.S. officials should be forthcoming and admit that the U.S. system and its performance also need attention. An honest, fair-minded, and constructive approach will be useful. The current U.S. and multilateral export control systems and practices were created in the Cold War era and are not well equipped to deal with strategic technology transfer and proliferation in the 21st century. Much of the critical work needed to improve export controls requires multilateral cooperation on extraordinarily difficult issues. While much of that work remains to be done, growing U.S.-China cooperation and more effective U.S. and Chinese export controls will continue to have a salutary impact on addressing the myriad threats associated with WMD proliferation around the globe.

With regard to our own Center's role in this engagement, a number of positive outcomes have resulted from our cooperation with Chinese industry, non-governmental organizations and universities. Industry is the first line of defense in restraining proliferation, and we are witnessing many positive developments. For example, NORINCO's corporate leadership has expressed a clear and unmistakable commitment to a responsible corporate export control program. Its representatives are receptive to the ideas and the training that we and other U.S. experts provide, and they have worked diligently to inform their workforce about the need for export controls, to educate their regulatory officials, and to upgrade their internal compliance program. The NORINCO experience will likely have positive influence on other Chinese enterprises. More Chinese firms are recognizing that responsible export behavior, informed corporate officials, and an effective internal compliance program can be "trade enabling." That is, export control compliance will be good for business in the global economy of the 21st century. Those companies that have or are developing a responsible corporate culture and internal export control compliance systems will be more likely to avoid U.S. sanctions and be more competitive in more markets than their less responsible counterparts.

To summarize in terms of the topics raised at the outset of my testimony, allow me to conclude with the following:

1. There is much the U.S. Government and non-governmental institutions can do to encourage and assist China in complying with its nonproliferation obligations and implementing stronger export controls. Furthermore, I believe that positive engagement produces the most successful outcomes. I encourage the U.S. Congress to engage with their Chinese counterparts to put more nonproliferation and export control content into their growing exchange programs. I encourage the executive branch agencies to do the same. The experience of our University of Georgia Center in engaging counterparts in Chinese universities and non-governmental organizations, and with industry representatives, has been satisfying thus far and is an example of what can be accomplished. I am confident that much more can be achieved in the years ahead.
2. There is also much we can do to encourage China's growing participation in the global nonproliferation agenda. Again, I believe that positive engagement with China's leaders and institutions is critical. The U.S. government was wise to support China's accession to the Nuclear Suppliers Group. It should continue to encourage China to develop its export control capacities and performance so it can become a full-fledged and respected member of all of the multilateral export control regimes. Engagement between governments, agencies, industries, and non-governmental organizations can promote not only U.S.-China, but also international understanding of common interests, and identify ways to achieve those interests with positive outcomes. With better cooperation, China can become a critical player in promoting nonproliferation globally.
3. Finally, China can play a positive, leading role in international nonproliferation and export control forums. The United States should continue to encourage China to join and play a constructive role in nonproliferation export control arrangement and should do all that it can to facilitate responsible Chinese leadership in the various forums.

The progress made in China's export control and nonproliferation system over the last decade is remarkable. The opportunities to continue that progress today are abundant. It is incumbent upon responsible leadership to take advantage of them.