



Highlights of [GAO-03-694](#), a report to the Ranking Minority Member, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

The heightened visibility of advanced U.S. weapons in military conflicts has prompted foreign countries to seek to purchase such weaponry. In 2001, transfers of U.S. weapons and technologies to foreign governments totaled over \$12 billion. The potential loss of U.S. technological advantage has been raised as an issue in recently approved transfers of advanced military weapons and technologies—such as military aircraft that were reported in the media to contain superior radar and avionics than those in the Department of Defense's (DOD) inventory.

GAO looked at how releasability of advanced weapons is determined, how U.S. technological advantage is considered and protected, and what information is needed to make informed decisions on the potential release of advanced weapons.

What GAO Recommends

GAO is recommending that the Secretary of Defense direct the National Disclosure Policy Committee Executive Secretariat to take several actions to improve efforts for collecting and updating information needed for the review process. DOD concurred with some of GAO's recommendations but did not concur with others. DOD provided additional information about recent actions it has taken, which lead to the modification of some of GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-694.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Katherine V. Schinasi at (202) 512-4841 or schinasi@gao.gov.

DEFENSE TRADE

Better Information Needed to Support Decisions Affecting Proposed Weapons Transfers

What GAO Found

Before transfers are approved, the U.S. government must first determine if classified weapons or technologies are releasable to the requesting country according to the National Disclosure Policy (NDP). The process for determining releasability is complex. A foreign government's request is first reviewed by the military department that owns the requested weapon or technology. In cases where the request exceeds NDP's approved classification level, the military department forwards the request to the National Disclosure Policy Committee for its review. For some sensitive technologies, such as stealth, the case is also forwarded to a special committee for review. The process requires coordination among different U.S. government entities—including DOD, the military departments, the State Department, and the intelligence community—which have varying perspectives. Adding to this complexity, determinations of releasability are governed by broad guidance, which allows latitude in interpreting the unique circumstances of each proposed transfer.

In determining the releasability of advanced weapons and technologies, a number of factors are considered, including how U.S. technological advantage would be affected. To protect U.S. technological advantage, safeguards—such as lowering the capability of a transferred weapon and withholding sensitive information on how the system operates—are considered for proposed transfers. However, the effectiveness of some individual safeguards may be limited. For example, one safeguard—the ability of the United States to deny spare parts to former allies—may not be effective if these countries are able to obtain spare parts through other means. While certain individual safeguards may not be as effective as desired, DOD officials said they consider various safeguards to ensure technological advantage is maintained.

Information needed to assess releasability is not always complete, up-to-date, or available. For example, DOD's centralized National Disclosure Policy System database that was used to make decisions during the last 4 years only contained information for that time period. DOD has recently deployed an upgrade to the system, but has not yet determined its effectiveness. Other information, such as Central Intelligence Agency risk assessments—which provide counterintelligence information and risks involved in releasing advanced weapons to a foreign country—are often outdated or nonexistent. Finally, some intelligence information that could have a direct bearing on whether an advanced weapon or technology should be released is prepared for other purposes and is not provided to decision makers involved in releasability determinations.