



Highlights of [GAO-08-89](#), a report to the Committee on Foreign Affairs, House of Representatives

### Why GAO Did This Study

To regulate the export of billions of dollars worth of arms to foreign governments and companies, the Department of State's (State) Directorate of Defense Trade Controls (DDTC) reviews and authorizes export licenses and other arms export cases. While such reviews require time to consider national security and foreign policy interests, the U.S. defense industry and some foreign government purchasers have expressed concern that the U.S. export control process is unnecessarily time-consuming.

In 2005, GAO reported that processing times for arms export cases had increased despite State efforts to streamline its process. GAO was asked to (1) describe recent trends in the processing of arms export cases and (2) identify factors that have contributed to these trends.

To conduct its work, GAO obtained and analyzed State arms export case data for fiscal year 2003 through April 30, 2007; reviewed relevant laws, regulations, and guidelines, as well as DDTC funding and staffing information; and interviewed State and Department of Defense officials and selected arms exporters.

### What GAO Recommends

GAO is recommending that State conduct systematic analyses to help achieve efficiencies in the processing of arms export cases. State concurred with GAO's recommendation.

To view the full product, including the scope and methodology, click on [GAO-08-89](#). For more information, contact Ann Calvaresi-Barr at (202) 512-4841 or [calvaresibarra@gao.gov](mailto:calvaresibarra@gao.gov).

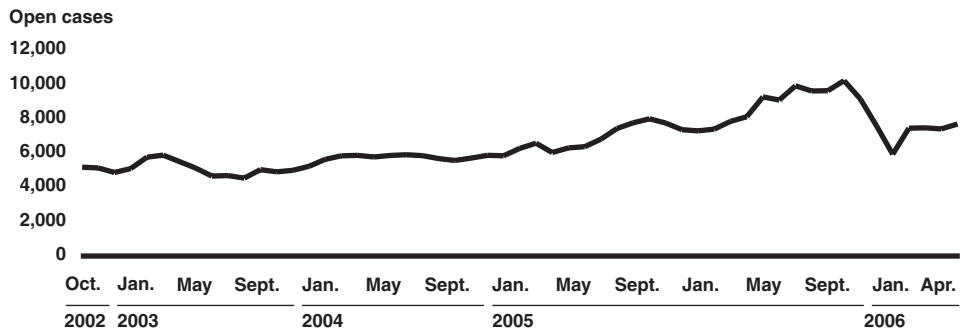
## DEFENSE TRADE

### State Department Needs to Conduct Assessments to Identify and Address Inefficiencies and Challenges in the Arms Export Process

#### What GAO Found

Three key trends indicate that DDTC's arms export licensing process is under stress. First, the number of arms export cases processed by DDTC increased 20 percent between fiscal years 2003 and 2006. Most of this increase was for licenses for permanent export. Second, during the same period, median processing times almost doubled. Third, the number of open arms export cases increased 50 percent from about 5,000 in October 2002 to about 7,500 in April 2007, with a high of more than 10,000 cases in September 2006. At the beginning of fiscal year 2007, DDTC launched a campaign to reduce the growing number of open cases. Through extraordinary measures—such as canceling staff training, meetings, and industry outreach, and pulling available staff from other duties to process cases—DDTC was able to cut the number of open cases by 40 percent in 3 months. However, such measures are not sustainable in the long term, do not address underlying inefficiencies and problems, and may have negative unintended consequences for the mission.

Open Arms Export Cases, Fiscal Year 2003 through April 30, 2007



Source: GAO analysis of DDTC data.

While some blips in the trends can be attributed to onetime events or efforts—such as DDTC's campaign to reduce open cases—procedural inefficiencies, electronic processing system shortcomings, and human capital challenges underlie the overall trends. For example, GAO's analysis shows that DDTC is taking increasingly longer to refer cases to other agencies or State bureaus for additional review—from 7 days in fiscal year 2003 to 20 days during the first 7 months of fiscal year 2007. In addition, implementation of DDTC's electronic system for submitting applications has been problematic, and electronic processing has not been the promised panacea for improving processing times. DDTC does not perform systematic assessments to identify root causes of increased workload, processing times, and open cases and, in turn, develop sustainable solutions.