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FACT SHEET

Defense Trade Security Initiative Extended to Sweden

In recognition of Sweden's importance as a long-term partner and friend and as one of the world's leading manufacturers of first-class weapons systems and related items, the United States has decided to extend the provisions of the Defense Trade Security Initiative (DTSI) to Sweden.

The U.S. announced this initiative at a May 2000 NATO Ministerial meeting. It was the first major post-Cold War revision to the U.S. export control system. That system safeguards sensitive military technology by requiring a license for the export of munitions and defense services. DTSI is designed to promote efficiency in export licensing, to encourage interoperability and standardization among NATO Allies, to facilitate trans-Atlantic industrial joint ventures and to raise the common standards for technology protection. DTSI initially applied to NATO members, Japan, and Australia.

DTSI is comprised of sixteen procedural reforms to the current U.S. munitions export control regime. DTSI also includes the possibility for certain qualified countries to enter into negotiations aimed at granting an exemption for most licenses for export of unclassified items and services now required by the International Traffic in Arms Regulations (or ITAR). The United States began these discussions in July 2000 with Australia and the United Kingdom. The United States will consider ITAR talks with additional countries after negotiations with the United Kingdom or Australia have been completed.

Sweden and the United States have long enjoyed close relations. Today the two nations work in close partnership in many areas. Swedish and American troops serve side-by-side in Bosnia and Kosovo and see first-hand the benefits of using interoperable equipment. Nationally, we share the same urgency regarding the

dangers of proliferation and the need to control it. Both Sweden and the United States have enacted strict export controls, and are members of all the multilateral export control regimes.

Sweden is also one of six major European producers of aerospace and defense items and is at the cutting-edge of many military systems technologies. Some systems have been developed jointly by the United States and Sweden. Both Sweden and the United States have much to gain from the closer defense relationship that DTSI can help create. This is particularly true with respect to shared research and development and the civilian applications that can evolve from defense research. Therefore, the United States has decided to extend the provisions of DTSI to Sweden. Swedish participation will be effective immediately following publication of this decision in the U.S. Federal Register.

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