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THE WHITE HOUSE
WASHINGTON

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November 20, 1988

NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 320

NATIONAL POLICY ON STRATEGIC TRADE CONTROLS (U)

The efforts of this Administration to stem the flow of strategic technologies to the Soviet Union and its allies have been vigorous and the results substantial. We have increased understanding within Western governments of the Soviet technology acquisition program. We have raised the priority of export control enforcement at home, raising penalties and increasing interdiction. We have improved our export licensing systems and reduced the time needed to process licenses. We have rejuvenated COCOM and now maintain a regular dialogue with our COCOM partners on the strengthening of strategic trade controls. We have also forged cooperative relationships with key non-COCOM countries. (C)

Despite recent improvements in U.S.-Soviet relations and the program of internal Soviet reform instituted by President Gorbachev, the military threat posed by the Soviet Union to the United States and its allies remains unchanged. It therefore remains the policy of the United States to restrict the transfer of strategic technologies to the Soviet Union and its allies whenever such transfers would make a significant contribution to Soviet Bloc military capabilities that would prove detrimental to the national security of the United States and its allies. (C)

In pursuing this policy, we also recognize that trade is vital to the health and growth of our economy and to the base on which our national security rests. The U.S. currently enjoys a comparative advantage in high technology, which represents a significant portion of our exports. Our strategic trade policy towards the Soviet Union and its allies must continue to protect our ability to export while guarding against the erosion of our technological leadership that would weaken our economy and compromise our national security. It must integrate our national security, foreign policy, and trading interests and be based on the multilateral COCOM system. It must also have the political support of our allies, Congress, the business community, and the public. (C)

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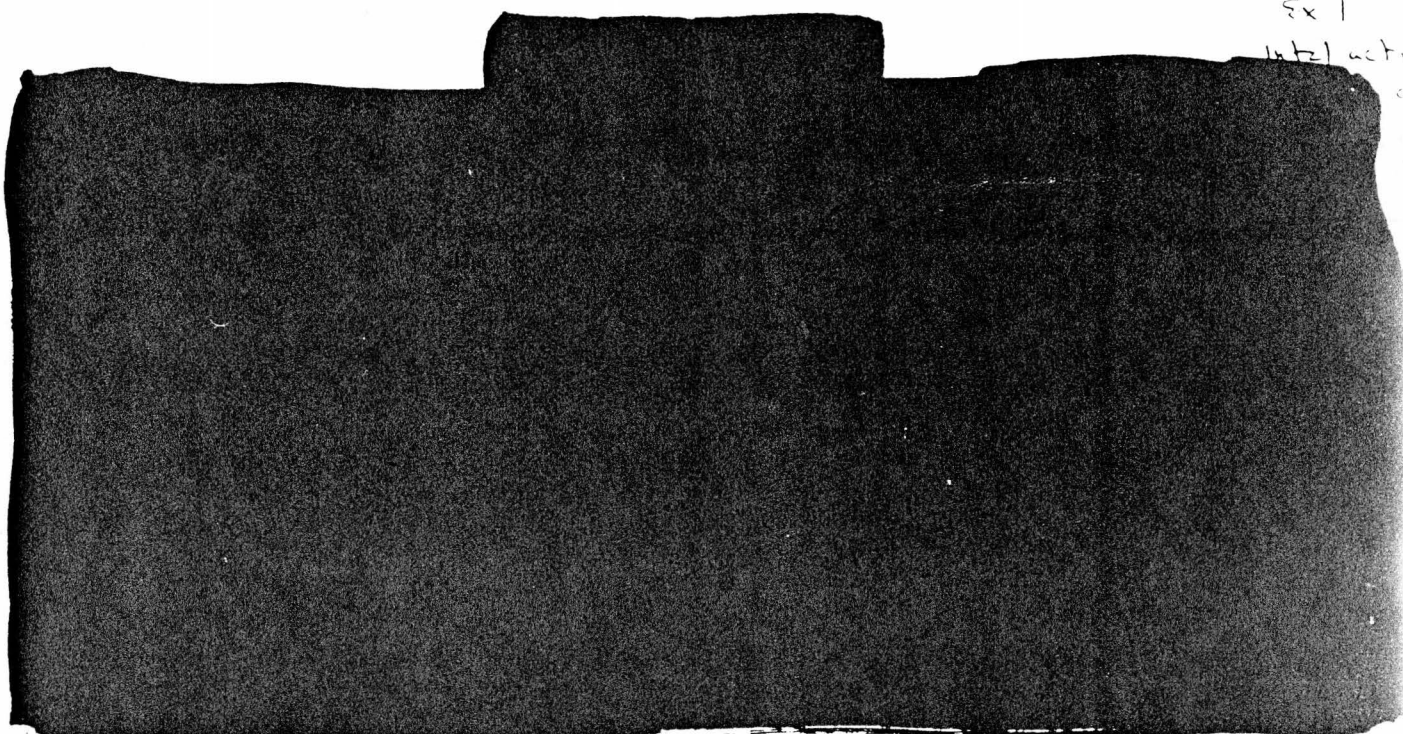
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Effective implementation of U.S. strategic trade policy, consistent with authorities and responsibilities assigned by applicable law, requires vigorous efforts by responsible departments and agencies in the six key areas identified below. The National Security Council, through the Assistant to the President for National Security Affairs, shall monitor such efforts to ensure that they are well coordinated and consistent with the objectives set forth in this directive. (C)



Enforcement (U)

Enforcement of U.S. export control laws should be pursued vigorously in order to deter or prevent diversions and to detect and punish offenders whenever possible. We should similarly encourage allied and friendly governments to place a high priority on export control enforcement. (C)

In pursuit of these objectives, the Secretaries of Treasury and Commerce, in cooperation with other concerned department and agency heads, shall increase our efforts in the area of prevention, including the development of close and continuous working relationships with U.S. firms that are producing critical strategic technologies being sought by the Soviet Bloc. (C)

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Licensing (U)

We seek efficient licensing systems which give timely answers to our exporters on their licensing applications. To that end, the Secretaries of Commerce, State, Defense, and Treasury shall accord the highest priority to improving and completing the computerization of their respective licensing or licensing review systems, including, where appropriate, the secure electronic exchange among agencies of certain licensing information while preserving the integrity of each agency's database. (C)

The resolution of interagency disputes within prevailing statutory deadlines is vital. The Assistant to the President for National Security Affairs, coordinating with concerned department and agency heads, shall therefore prepare a draft executive order for my consideration on or before January 13, 1989 setting forth procedures to ensure that disputed export cases will be resolved within statutory time limits. (C)

Foreign Availability (U)

In order to ensure that U.S. industry is not competitively disadvantaged in international trade, there must be an effective process for determining the availability from foreign sources of technologies proposed for export from the United States. For this purpose, the Secretary of Commerce shall prepare an overall assessment of our foreign availability process, with the objective of recommending improvements early in the next Administration. (C)

COCOM (U)

The United States seeks a strong and effective COCOM system. For this reason, we agreed with COCOM member governments at the Senior Political Meeting (SPM) in January 1988 to streamline control lists while at the same time strengthening national enforcement and licensing systems. (C)

The Secretary of State, coordinating with the other concerned department and agency heads, shall prepare and submit to me by January 13, 1989 a general assessment of the progress we have made in our overall policy of strengthening COCOM, including progress made under the mandate of the SPM. It shall also include the treatment given in COCOM to joint ventures and whole plant sales to the Soviet Union and Eastern Europe. This

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assessment shall review accomplishments to date and make specific recommendations to the new Administration concerning actions that might be taken as a priority matter by the next Administration.

(C)

Similarly, the Secretary of State, coordinating with other concerned department and agency heads, shall prepare by January 13, 1989 a long-range plan that (a) ensures that any changes in European export control practices resulting from the establishment of the Single Market in 1992 do not undermine our effort to strengthen export control enforcement, (b) establishes a COCOM-wide common standard level of effective protection for controlled technologies, and (c) outlines an alternative system for licensing intra-COCOM trade. This plan, likewise, shall contain recommendations for actions that might be taken by the new Administration. (C)

In order to further concentrate our efforts on the protection of critical strategic technologies, the Secretaries of State, Commerce, and Defense shall give new impetus to their efforts within COCOM to streamline the current control lists, consistent with national security. (C)

In this connection, the Secretary of Commerce, coordinating with the other concerned department and agency heads, shall ensure that the technical expertise of the Technical Advisory Committees is made available for and used effectively in the COCOM list review process. (C)

[The U.S. must have and must advance clear and convincing justifications for the control of particular technologies. Such justifications will require that correlations be advanced between technologies in question, foreign availability, Soviet military requirements and capabilities, and U.S. national security. The Secretary of State, coordinating with other concerned department and agency heads, shall give high priority to advancing such justifications in COCOM and bilaterally to allied and friendly governments. The Secretary of Commerce shall ensure that such justifications, properly adapted for open dissemination, are made available to the high technology community and published when revisions to the control lists are published. (C)

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Additionally, the Secretary of State, coordinating with other concerned department and agency heads, shall continue within COCOM to link the control lists to the nomenclature of the Harmonized Commodity Description and Coding System. (C)

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Third Countries (U)

In order to ensure that the COCOM system is not undermined, the United States shall seek the establishment of COCOM-comparable national export control systems in key third countries. (C)

Third country negotiations that have already begun shall be pursued vigorously with the objective of completing them, if at all possible, by January 20, 1989. Negotiations shall be pursued, or contacts preliminary to negotiations should be made, with other key countries as soon as possible. Compliance by third countries with agreements or understandings already reached shall also be monitored actively. (C)

The Secretary of State, coordinating with the other concerned department and agency heads, shall prepare and submit to me by January 13, 1989 a general assessment of the Third Country Initiative to date. This assessment shall review accomplishments and identify actions that might be taken as a priority matter by the next Administration. (C)

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