I. INTRODUCTION (U)

I have reviewed NSAM 294 of April 20, 1964 and its specific guidance on the transfer of strategic missile hardware and technology. Since the missile-related portion of NSAM 294 is updated in the following paragraphs, and the nuclear weapon section is governed by the Atomic Energy Act, NSAM 294 is rescinded. This directive provides policy guidance with respect to the transfer of nuclear capable missile delivery systems' hardware and technology. It should be considered in conjunction with applicable civil space launch vehicle directives with respect to the transfer of dual use space hardware and technology, as well as with NSDD 5 and other directives governing the export of conventional missiles and technology. Specific guidelines will be prepared to implement this policy statement. (9)(U)

For purposes of this directive, a nuclear capable missile delivery system is defined as:

(a) an unmanned rocket-powered or air-breathing vehicle that has been equipped to deliver a nuclear warhead, or

(b) an unmanned rocket-powered or air-breathing vehicle that could reasonably be modified to carry a nuclear warhead a significant distance, i.e., beyond an immediate tactical area. Conventionally armed short-range air-to-air, air-to-ground, and surface-to-air missiles and conventionally armed anti-shipping and artillery rockets shall not be subject to this directive, unless they embody technologies important for the development of a longer range surface-to-surface missile. (2)(U)
II. POLICY GOVERNING NUCLEAR CAPABLE MISSILE TECHNOLOGY

An increasing number of states are developing both the technical option to produce nuclear explosives and the means to deliver them. Foreign acquisition of technology for ballistic missiles and cruise missiles is growing. Development of nuclear-capable missiles is possible through a dedicated military program or an ostensibly civil space launch vehicle program. Recognizing that such a development could provoke regional instability or ultimately threaten the United States or its allies, it is the policy of the United States to hinder the proliferation of foreign military missile systems capable of delivering nuclear weapons except as exempted below. (S)(U)

The United States will:

-- Prohibit exports of equipment and/or technology that would make a contribution to a foreign country's strategic military missile program. (S)(U)

-- Exempt on a case-by-case basis certain U.S. friends and allies from this policy, subject to appropriate non-transfer assurances and a Presidential approval that such transfers promote U.S. foreign policy and national security objectives. (S)

-- Control dual use items and technology when considered likely to contribute to an identified nuclear capable missile program in a non-exempt country. (S)(U)

To provide the basis for further action and decision, I hereby direct that the United States Government:

-- Maintain an intelligence watch on countries suspected of having intentions of developing indigenous strategic missile programs which could pose a threat to the U.S. or its foreign policy interests. (S)(U)

-- Seek cooperation with supplier nations in limiting the export of strategic missile related hardware and technology by:

(a) identifying the range of commodities and technology available abroad, and

(b) consulting on items to be restricted, with special attention to the retransfer, modification, and control of these items. (S)(U)

III. IMPLEMENTATION OF POLICY (U)

All Executive Branch agencies having responsibilities or authorizations for export controls, including missile-related commodities, will adopt stringent export controls on technology and equipment which could make a direct or significant
contribution to the design, development, production, inspection, testing or use of nuclear capable missile delivery systems and related components. At a minimum this will include guidance sub-systems and related software, propellants, propulsion systems, rocket nozzles and related control sub-systems, re-entry sub-systems, missile structure, and unique support equipment. (S)(U)

The United States will, within the scope of current export authorities:

--- Deny approval of export of technology and related knowledge on the design, development, production, inspection, and testing of missile systems and related components that can benefit a recipient's strategic military missile program. (S)(U)

--- Generally approve, after case-by-case review, export of dual use equipment that can be judged clearly to be for a valid civil use or clearly to apply to a recipient's peaceful program and clearly is of no more than marginal benefit to a potential recipient's strategic missile program, when consistent with the applicable legislation and U.S. policy. (S)(U)

The Departments of State, Defense, and Commerce shall ensure that adequate procedures are developed to identify critical export items falling under this directive. (U)

In making case-by-case decisions, the agencies and departments will consider:

1. The strategic, technical, economic, qualitative, political and time-dependent nature of the item to a foreign nuclear capable program.

2. Alternative non-U.S. sources for the technology or end-item or comparable and adequate substitutes, with a view towards bilateral discussions with alternate sources to preclude foreign availability.

3. The end use of the item. (S)(U)

An interagency group chaired by the Department of State, and including representatives from DOD, ACDA, NASA, NSC, OSTP, Commerce and CIA, shall be established to monitor transfer of strategic military missile technology. (S)(U)

When, and if, any non-exempt nation is assessed by the interagency group as pursuing a nuclear weapon delivery capability, the interagency group shall determine whether exemption status is to be granted to it and shall make a recommendation to the NSC for a decision. An exemption shall be accorded to states such as the United Kingdom, in light of existing U.S. cooperation in the strategic and nuclear fields. (C)(U)
With regard to nations not granted exemptions and to cases outside the specific exempted categories, the United States will:

-- Apply stringent export controls to prevent the transfer of any missile-related U.S. controlled technology and hardware from reaching that nation, either directly or through intermediaries.

-- Institute measures to reduce, insofar as possible, the assistance of other supplier nations to the country(s) in question.

Ronald Reagan