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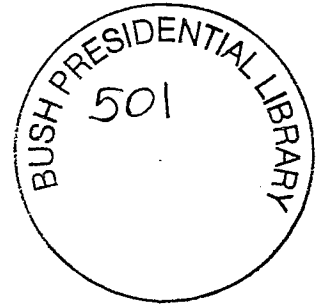
THE WHITE HOUSE

WASHINGTON

20060

January 12, 1990

NATIONAL SECURITY REVIEW 22



MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE  
THE SECRETARY OF TREASURY  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF ENERGY  
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY  
AFFAIRS  
DIRECTOR OF CENTRAL INTELLIGENCE  
CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: COCOM Policy towards Eastern Europe and the Soviet Union (S)

For over forty years COCOM has protected the vital security interests of its members by restricting the flow of militarily significant goods and technology to potential adversaries. We now face a situation where the military threat posed to COCOM members by the Warsaw Pact is changing. In particular, the threat from Eastern Europe appears to have diminished. We need to review our policies in COCOM to ensure that current controls and procedures reflect that changing environment and do not interfere with legitimate trade. (S)

Therefore, I direct the following:

I. The Secretary of State, in coordination with the Secretary of Defense, the Secretary of Commerce and the Secretary of Energy, should prepare interim positions on Eastern Europe for use at the special COCOM meeting on February 14, taking into account changes underway in Eastern Europe and their implications for Western security. These preparations should be completed by January 19, 1990. (S)

The interim positions should focus on the steps that COCOM should take in the near future to respond to Eastern European requests for improved access to COCOM-controlled technology. What interim measures can be adopted to limit the potential for diversion or military use? (S)

The interim positions should also make specific proposals for revisions in export controls in three sectors: telecommunications, machine tools and computers. (S)

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II. The Chairman of the Joint Chiefs of Staff should initiate a study of the military significance of access to Western technology on Soviet and East European force structures and strategies. This study should be completed by March 30, 1990.

~~(S)~~

The study should focus on the role of Western technology in East European and Soviet military programs and Warsaw Pact force structures. What are the Warsaw Pact militarily critical mission areas in priority order? What are the Western dual use technologies that are necessary to support this militarily critical list? How does this list relate to the U.S. Militarily Critical Technologies List? What would be the effect on Warsaw Pact production and force structures of increased sales of controlled technology? How would these changes affect NATO weapons procurement and force posture and structures? ~~(S)~~

III. The Director of Central Intelligence, in cooperation with other intelligence agencies, should initiate a study of technology transfer to Eastern Europe and the Soviet Union. This should be completed by March 30, 1990. ~~(S)~~

The study should take into account ongoing illegal acquisition activities in the U.S. and other COCOM countries by Warsaw Pact countries, the overall Soviet technology transfer threat, and the effects of continued membership of individual Eastern European countries in the Warsaw Pact. How has the rise of coalition and non-Communist governments in Eastern Europe affected cooperation with Soviet intelligence services on illegal acquisition of Western technology? How have these changes affected Eastern European efforts to acquire COCOM-controlled technology for their own use? To what extent are the various Eastern European countries willing and able to protect Western technology? How effectively can we monitor these efforts?

~~(S)~~

IV. Based upon the studies called for above, the Secretary of State, in coordination with the Secretary of Defense, the Secretary of Commerce and the Secretary of Energy, should prepare a comprehensive U.S. proposal for COCOM. The proposal should provide for modernizing the COCOM control lists and procedures, taking into account Western security concerns, technological developments, foreign availability, and the need for clear guidance to exporters of COCOM countries, as indicated below. This study should be completed by April 27, 1990. ~~(S)~~

1. The Warsaw Pact critical mission areas should be used to determine which goods and technologies should remain controlled and which are no longer critical to our security interests. ~~(S)~~

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2. Those goods and technologies requiring control should be placed in priority order according to the following three criteria:
  - a. pose unmanageable security concerns if they were exported to the Soviet Union or Eastern Europe under any circumstances;
  - b. pose serious and hard-to-manage security concerns calling for a presumption of denial; and
  - c. pose strategic concerns that are manageable (through safeguard packages, etc.) and thus permit a presumption of approval. ~~(S)~~
3. Criteria should be developed to decontrol off-the-shelf commodities readily available to the general public. ~~(S)~~
4. The U.S. proposal should set forth the continuing need for strict compliance with the multilateral export control regime by all COCOM members. ~~(S)~~

