

**SELECTED MILITARY CAPABILITIES
OF THE
PEOPLE'S REPUBLIC OF CHINA**

APRIL 1997

875

**Report to Congress
Pursuant to Section 1305 of the
FY97 National Defense Authorization Act**

Section 1305 of the National Defense Authorization Act for FY97 states that "the Secretary of Defense shall prepare a report...on the future pattern of military modernization of the People's Republic of China. The report shall address both the probable course of military-technological development of the People's Liberation Army and the development of Chinese military strategy and operational concepts." Section 1305 further identifies seven specific "matters to be included" in the report.

This report, submitted in response to section 1305, addresses the broad issues identified for attention as well as the seven "matters to be included," in the order in which they are set forth in the statute.

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SELECTED MILITARY CAPABILITIES OF THE PEOPLE'S REPUBLIC OF CHINA

"Chinese Military Strategy and Operational Concepts:"

China's long-term goal is to become one of the world's great powers. Its leaders envision that, at some point during the first half of the twenty-first century, China will be securely established as the leading economic and political power in East Asia. Chinese statements and actions support the theory that China will continue to emphasize economic growth and economic modernization, rather than military might, as a foundation for national greatness. As an emerging great power, China will probably build its military power to the point where it can engage and defeat any potential enemy within the region with its conventional forces and can deter any global strategic threat to China's national security. Evidence suggests, however, that China will develop her military strength at a measured pace. A more rapid or large-scale military build-up is seen by the Chinese leadership as unnecessary and detrimental to continued economic growth.

China's future military strategy is likely to concentrate on improving the defensive posture of its armed forces while developing a capability to fight short duration, high intensity wars in the region. Military modernization probably will focus on three components: small high-tech forces for flexible use in regional contingencies, large low-tech and medium-tech forces for internal security and reinforcement in defense of the homeland, and modest levels of strategic nuclear forces to maintain a viable deterrent against other nuclear powers.

This strategy would place primary emphasis on developing an offshore defense of China's eastern seaboard. To accomplish this, China probably will accord the highest military priority to developing the advanced air, air defense, and sea forces needed to defend the maritime approaches to China. To maintain its territorial claims and other interests in the region, China is likely to continue developing the capability to conduct combined arms operations in maritime areas.

To carry out this strategy, China is engaged in developing and acquiring new fighter aircraft, submarines, improved naval air defenses, and short-range ballistic missiles. In the ground forces, it is giving attention to the creation of rapid reaction units and airborne forces. In accordance with this developing strategy, the People's Liberation Army (PLA) has indicated that it will decrease in size in the near future to conserve funds for military modernization.

China's nuclear strategy probably will continue to emphasize the development of a nuclear retaliatory capability as a deterrent against the potential use of nuclear weapons by existing nuclear weapons states. Ongoing ballistic missile modernization encompasses a shift from liquid to solid fuel missiles.

China's ability to achieve its military modernization objectives for the coming decade and beyond will depend to a large extent on the rate at which it can assimilate the foreign technology it is acquiring, on its ability to use and integrate the new weapon systems it is purchasing from abroad, and on its industrial capacity to produce advanced weapons domestically without foreign technical assistance. Beijing is likely to experience mixed results in all three areas. The problems China faces in these areas could constrain progress in achieving overall modernization objectives as rapidly as the Chinese would hope.

"(1) Trends that would lead the People's Republic of China toward advanced intelligence, surveillance, and reconnaissance capabilities, either through a development program or by gaining access to commercial or third-party systems with militarily significant capabilities."

Satellite Imaging Systems.

The Chinese currently have the capability to launch military photo-reconnaissance satellites however the technology they employ is outdated by Western standards and they lack real-time satellite reconnaissance capabilities. The Chinese also currently use commercial SPOT and LANDSAT imagery, which can have some military uses. Use of other commercial satellite imagery can also be anticipated as these data sources become available in the next few years. China launches meteorological satellites and there is a high probability that its first geosynchronous satellite will be launched in 1997. It is expected that China eventually will deploy advanced imagery reconnaissance and earth resources systems with military applications.

Airborne Early Warning Systems:

China has been trying to acquire an airborne early warning system since the late 1980s. In the near future, Beijing is expected to award a contract to a foreign radar manufacturer to provide China with this capability. It could take an estimated four to six years from the date of a contract, however, before China is likely to have an operational airborne early warning platform.

The development of more advanced satellite surveillance systems and sensors will continue to improve China's strategic view of the Pacific theater. The acquisition of airborne early warning and maritime patrol systems and their introduction into the armed forces, if successful, will greatly improve China's battlefield command and control capabilities. However, China will continue to lack a truly integrated Airborne Warning and Control (AWACS) capability.

"(2) Efforts by the People's Republic of China to develop highly accurate and low-observable ballistic and cruise missiles, and the investments in infrastructure that would allow for production of such weapons in militarily significant quantities, particularly in numbers sufficient to conduct attacks capable of overwhelming projected defense capabilities in the region."

Over the past decade, China has greatly invested in its infrastructure to develop and produce new ballistic and cruise missiles. Beijing is slowly upgrading and expanding the size of its ballistic missile forces and is developing new types of ballistic missiles.

SRBMs/MRBMs:

CSS-6 (DF-15)

China's CSS-6 (DF-15) road-mobile SRBM, better known by the export name M-9, has been operational since 1995. CSS-6 missiles were launched from southern China into the waters off Taiwan in 1995 (six launches) and 1996 (four launches) as part of Beijing's efforts to dissuade Taiwan from moving toward independence. These launches into specific closure areas near Taiwan demonstrated a degree of accuracy not previously associated with Chinese missiles.

CSS-7 (DF-11)

The CSS-7 is better known by its export designator M-11. Although the CSS-7 has a range of 300 km, the Chinese may be working on an improved version with a longer range. The accuracy of these missiles will improve in the future if China is able to apply Global Positioning System (GPS) guidance technology.

CSS-5 (DF-21)

The CSS-5 MRBM is China's first ground-based solid-propellant ballistic missile. This missile has already been deployed and has the range to strike China's nearest neighbors.

ICBMs/SLBMs

After the turn of the century China plans to begin production and deployment of at least one new solid-propellant ICBM that will provide China's strategic nuclear forces improved mobility, survivability, accuracy, and reliability. China is developing two new solid-fuel mobile ICBMs, the DF-31 and DF-41, which reportedly will have ranges of at least 8,000 and 12,000 kilometers, respectively.

Infrastructure to Produce Missiles:

China has a large, well-established infrastructure for the development and production of ballistic missiles. The China Aerospace Corporation (CASC) and its subordinate development, production and test facilities are responsible for ballistic missile production. China reportedly has received technology related to missile programs from Russia in recent years. China probably will have the industrial capacity, though not necessarily the intent, to produce a large number, perhaps as many as a thousand, new missiles within the next decade. Most new missiles are likely to be short-range or medium range, road-mobile, and fueled by solid-propellants. All of them are expected to have greatly improved accuracy over current systems, and many will be armed with conventional warheads.

Cruise Missiles:

China is developing land-attack cruise missiles (LACMs) for theater warfighting and strategic attack. These cruise missiles seem to have a relatively high development priority to ensure that Chinese forces will have greater conventional firepower. Long-range cruise missiles probably will also be used to bolster the viability of Chinese military deterrence. The first LACM design produced probably will be air-launched from Chinese bombers and should be operational early in the next century. China could develop a sea-launched version for use on either submarines or surface combatants. Chinese LACM R&D is aided by an aggressive effort to acquire foreign cruise missile technology, particularly from Russia. China also seeks enabling technologies and subsystems from the United States and other foreign countries.

"(3) Development by the People's Republic of China of enhanced command and control networks, particularly those capable of battle management that would include long-range precision strikes."

Modernization of Chinese Command and Control Networks:

China has made significant efforts to modernize and improve its command, control, communications, computers, and intelligence (C4I) infrastructure. Chinese military leaders have expressed their belief that advances in telecommunications technology will be an important factor in the outcome of any future conflicts. This advanced technology will involve different arms and services and impact every aspect of battle.

China is working to improve its C4I capabilities. Planned improvements include better coordination, more effective construction of C4I systems, and providing all military echelons with the technology required to have a unified C4I system capable of satisfying combat requirements.

The current wire and radio communications equipment of the PLA is at least two generations behind that of Western countries. However, the PLA has made progress in modernizing its C4I system, completing an automated command and control system, developing a new type of general field communications system, and disseminating new general signal regulations.

In recent years, China has emphasized the need to modernize command automation systems, which previously were reportedly used for divisional and regimental training. With the appropriate equipment, a group army conducting battlefield exercises today can use an advanced-level automation system that integrates field command, operational simulation, and computer plotting. Unlike the old system, which used telegrams and telephones, the new system allows the group army to write its documents electronically and to transmit these documents and a commander's verbal orders through a network to division and regimental commands as well as to forward positions a long distance from headquarters. Currently, however, only a few PLA group armies are believed to have the equipment necessary for group army-level command automation.

The PLA has conducted research on the key technologies required to develop an Integrated Battlefield Area Communications System (IBACS). The Institute of Information Science, Xidian University, China's highest level military communications institute, is currently conducting research in such areas as speech signal processing, broadband integrated services digital networks (B-ISDN), and application-specific integrated-circuit (ASIC) design. These research efforts are beginning the transition into both experimental and fielded communications systems.

Because most PLA command and control systems are still manual, there are long delays in dissemination of directives. To improve this situation in air defense, China has developed an automated tactical air defense C4I system. This system provides field air defense weapons with rapid and accurate intelligence and maximizes unit combat

effectiveness and firepower. The introduction of automated weapons and troop control systems greatly increases the need for an IBACS.

The Automated Air Defense Command and Control System identifies targets, evaluates threats, allocates forces, and guides fighters. It also commands surface-to-air missiles (SAMs) and antiaircraft artillery (AAA), and it includes tactical air defense systems (TADS) and fixed radars. A sector operations center is linked with three TADS, various air bases, AAA sites, SAM units, radars, and ground and naval units. The TADS include radars, fighters, and AAA.

Despite significant improvement in military C4I, Chinese ability to control sophisticated military operations still lags behind current western standards.

(4) "Programs of the People's Republic of China involving unmanned aerial vehicles, particularly those with extended ranges or loitering times."

China has an active program to purchase or develop unmanned aerial vehicles (UAVs) for its armed forces. Several Western suppliers are actively interested in pursuing the market for UAVs in China. Indigenous Chinese UAVs also will be developed and could be improved with foreign assistance.

China's research and development centers, especially Xian's Northwest Polytechnical University (NPU), and the Beijing and Nanjing Universities of Aeronautics and Astronautics, have active UAV developmental programs, intended to support the PLA's tactical C4I structure. NPU's ASN-206 probably is China's most advanced UAV. NPU claims the drone can be used for day/night aerial reconnaissance, battlefield surveillance, target positioning, artillery spotting, border patrol, nuclear radiation sampling, aerial photography and prospecting. The ASN-206 can be configured with regular or infrared cameras or television seekers which would give the system a near-real-time capability. It has a ceiling of 5,000-6,000 meters, a range of 150 kilometers, and a loiter time of 4-8 hours. Although China's military probably prefers to purchase a proven system, China's leadership may have determined that indigenous production of UAVs is in China's best interest.

While China's military has a great interest in using UAVs in tactical C4I, it has only limited capability and experience with UAVs to date. Consequently, the practical application of UAV sensor information to battlefield operations is only in the developmental stage. The application of UAVs in tactical C4I operations is likely to increase as new UAVs become operational within the Chinese military.

"(5) Exploitation by the People's Republic of China of the Global Positioning System or other similar systems, including commercial land surveillance satellites, for significant military purposes, including particularly for increasing the accuracy of weapons or the situational awareness of operating forces."

China is using the Global Positioning System and the Global Navigation Satellite System (GLONASS), both of which are being used increasingly throughout the world for both commercial and military applications, to improve the accuracy of its weapons and the situational awareness of its operational forces. The Chinese aerospace industry is pursuing the integration of GPS into its new fighter aircraft. China's military industrial complex has entered into joint ventures with foreign firms to produce GPS receivers which may find their way to military weapons. China Aerospace Corporation displayed a GPS receiver at an exhibition in Beijing in September 1996, and provided brochures advertising both a 12-channel GPS receiver and a 12-channel GPS/GLONASS receiver. One brochure showed a space launch vehicle, suggesting GPS use in missile applications. There is no question that China intends to produce receivers that can receive GPS and/or GLONASS signals.

Use of GPS updates will enable China to make significant improvements in its missile capabilities. For example, GPS updates will provide the potential to significantly improve missile accuracy through midcourse guidance correction. Moreover, the use of such updates will increase the operational flexibility of China's newer mobile missiles.

"(6) Development by the People's Republic of China of capabilities for denial of sea control, such as advanced sea mines or improved submarine capabilities."

Sea Mines:

China is well prepared to conduct offensive and defensive mining operations within its coastal seas (Yellow Sea, East China Sea, Taiwan Strait, and South China Sea) and has a large inventory of mines available, including older Soviet-supplied mines and domestically produced versions of these. Most of China's surface ships are equipped with mine rails and are capable of laying mines as a secondary mission. China is working at improving its mine warfare capabilities through the development and acquisition of new technology. China conducts training exercises using surface ships, submarines, and aircraft in coastal areas and is well-prepared to conduct both minelaying and minesweeping operations in these areas. Although China does not train outside coastal areas, it has the ability to conduct minelaying and minesweeping operations further afield. China is working at improving this capability through the development and acquisition of new technology, and has offered mines for sale at arms shows that include rocket propulsion or radio detonation to enhance targeting.

China currently produces numerous types of naval mines that could be used in coastal seas. Major new improvements probably will focus on developing new techniques and equipment to hunt mines and clear coastal areas that have been mined by an enemy.

This will involve training improvements and development of mine hunting techniques such as using remote submersibles. China is developing a mobile mine for a stand-off capability. While submarines can lay mines today, this stand-off capability will improve survivability and could enable China to maintain a minefield against opposing forces seeking to clear channels through the field, depending on the antisubmarine warfare (ASW) capabilities of the opposition.

Future capabilities probably will include the modernization of China's defensive mining capability to protect its coastal ports, and the ability to sink ships in its coastal seas that do not have dedicated minesweepers escorting them. China's expected acquisition of mobile mines will enhance its offensive capabilities and enable it to launch mines into a foreign port that is not protected by countermeasures such as nets or sonar.

Submarines:

China produces its own nuclear submarines and has built five HAN Class attack submarines and one XIA-class ballistic missile boat. However, their operations have been limited and they have never sailed beyond their regional waters. While they have a potential for operations in the Pacific Ocean, their capabilities would be very limited against modern Western or Russian ASW capabilities. Replacement designs for both are under development.

China is developing new classes of submarines which will include Russian technology and eventually a submerged-launched anti-ship cruise missile. Other improvements in sonar, propulsion, training, and the application of quieting techniques and technologies will contribute to a significant improvement in the capabilities of China's submarine fleet, even though the size of the force will decline as older boats are scrapped and new ones are built at a slower pace.

China also has purchased two KILO Class submarines from Russia, and is expected to acquire two more in 1998. When their crews are fully trained, these new diesel submarines will provide a substantial improvement in China's attack submarine capability. They will enhance China's capability to interdict commercial or naval shipping, and hence to deny sea control to potentially hostile forces operating in China's coastal seas.

New Surface Warfare Capabilities:

China reportedly is negotiating the purchase from Russia of two SOVREMENNY-class destroyers. If a contract is concluded, and includes the standard weapons suite for this ship, China will acquire, perhaps within 2-3 years, an enhanced capability for sea denial operations.

"(7) Continued development by the People's Republic of China of follow-on forces, particularly those capable of rapid air or amphibious assault."

Airborne Forces:

China's airborne forces consist of the 15th Airborne Army and its subordinate 43rd, 44th, and 45th Airborne Divisions. These airborne forces are an integral part of the People's Liberation Army Air Force. Each of the airborne divisions is supported by a dedicated and collocated troop transport regiment from the 13th Transport Division. Both the 15th Airborne Army and the 13th Transport Division are strategic reserve units that straddle Jinan and Guangzhou Military Regions.

China has used its airborne forces in the past primarily for internal security missions. More recently, China has designated the 15th Airborne Army as a strategic rapid reaction unit for deployment during national contingencies. However, lack of sufficient heavy airlift and other limitations keep this Army from having a robust force projection capability, although in a crisis civil airlift could support it as well.

Amphibious Forces:

China is continuing to improve its capabilities to conduct amphibious and airborne operations within the region. China has a brigade-sized marine force, based with the South Sea Fleet near Zhanjiang, which is equipped with amphibious tanks and armored personnel carriers for an amphibious landing. China's fleet of about sixty amphibious ships conducts modest-size training exercises in coastal regions. Although China has never conducted a division-scale or larger amphibious exercise fully coordinated with air support and airborne operations, its amphibious force is believed capable of landing at least one infantry division on a beach, depending on the mix of equipment and stores for immediate resupply. If China were to use its merchant fleet, its capacity to move forces would increase, although inadequate air defense and lack of ability and training in cross-beach movement of forces would be critical shortcomings.

China has built several air-cushion vehicles and evaluated their designs, to include training by its marine force. It is likely that China will eventually acquire a small number of these craft for providing rapid infantry assault, although the availability of a mother ship for regional transits is uncertain. Most likely, these craft will need to be carried by a suitable cargo ship, amphibious vehicle landing ship, or possibly a float-on/float-off (FLO/FLO) merchant ship in order to transport them to the scene of action.

If China were to build or purchase an aircraft carrier, such an asset would enable it to provide increased air defense and support for amphibious operations. Although China's long-term goal is to acquire one or more aircraft carriers and it has an active program to develop a design, it remains unclear whether Beijing has reached a firm decision on the kind of carrier it will have, given budget constraints and naval funding priorities. Helicopters from a carrier could provide support to potential amphibious operations, fixed-wing aircraft operating from a carrier could provide greater air defense over a potential beachhead.

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SYSTEM II

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THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED

February 3, 1987

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~~CONFIDENTIAL ATTACHMENT~~

MEMORANDUM FOR THE VICE PRESIDENT
 THE SECRETARY OF STATE
 THE SECRETARY OF THE TREASURY
 THE SECRETARY OF DEFENSE
 THE ATTORNEY GENERAL
 THE SECRETARY OF COMMERCE
 THE SECRETARY OF TRANSPORTATION
 THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
 THE DIRECTOR OF CENTRAL INTELLIGENCE
 THE ACTING ASSISTANT TO THE PRESIDENT FOR
 POLICY DEVELOPMENT
 THE ASSISTANT TO THE PRESIDENT AND CABINET SECRETARY
 THE CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
 THE CHAIRMAN, JOINT CHIEFS OF STAFF
 THE DIRECTOR, OFFICE OF SCIENCE AND TECHNOLOGY POLICY
 THE ADMINISTRATOR, NATIONAL AERONAUTICS AND
 SPACE ADMINISTRATION

SUBJECT: NSDD on Guidance to the U.S. Delegation for
 Negotiations with Western Europe, Japan and Canada
 on the Space Station

The President has signed the attached National Security Decision
 Directive.



Frank C. Carlucci

Attachment
 NSDD 257

#873

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~~CONFIDENTIAL ATTACHMENT~~

11/27/92

Released on
 under provisions of E.O. 12356
 by S. Tiley, National Security Council

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

SM-71-87
27 January 1987

THE JOINT STAFF

MEMORANDUM FOR: Chairman, Joint Chiefs of Staff
Chief of Staff, US Army
Chief of Naval Operations
Chief of Staff, US Air Force
Commandant of the Marine Corps
Director, Joint Staff
Director, J-5
Director, DIA

Subject: NSSD-4

1. In accordance with CM-219-86, 14 April 1986, "Distribution of NSC Documents," the attached memorandum by the Assistant to the President for National Security Affairs, 90040, 22 January 1987, is forwarded for information and guidance.
2. The attached document is especially sensitive and must receive special handling. Access should be limited to only those individuals with a valid need to know. Further distribution/reproduction is NOT authorized without the explicit approval of the Chairman, Joint Chiefs of Staff. A record of access is required.
3. The Director, J-5, is responsible for appropriate action by the OJCS.
4. Without attachment, this memorandum is Unclassified.

WILLIAM J. LUCAS
Colonel, USAF
Secretary

Attachment

Copy 11
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THE WHITE HOUSE
WASHINGTON

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SYSTEM II
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January 22, 1987

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE DIRECTOR OF CENTRAL INTELLIGENCE
CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Middle East Peace Process

The President has approved the attached National Security Study Directive on Middle East Peace Process. A copy is forwarded for your information and action.

Frank C. Carlucci
Frank C. Carlucci

Attachment

NSSD 4-87

DECLASSIFIED

BY NSC

DATE 7 Oct 96

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Declassify on: OADR

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THE WHITE HOUSE

WASHINGTON

SYSTEM II
90040

January 22, 1987

NATIONAL SECURITY STUDY
DIRECTIVE NUMBER 4-87

Middle East Peace Process

This directive establishes the terms of reference for an interagency review of our strategy for the Middle East peace process over the coming year. The review should take account of the results of Assistant Secretary of State Murphy's trip to the region in January 1987 and offer recommendations about our overall strategy in time for the scheduled high-level visits by Middle East leaders in February and March. The review should examine such questions as:

- What are the present prospects for a solution to the problem of Palestinian representation? What are the trends in Palestinian politics? What are the implications of current PLO gains in Lebanon?
- How can we strengthen Jordan's role in the peace process and its efforts to assert leadership on the Palestinian question? What further steps could we take, e.g., in the Quality of Life area, or in our bilateral relations, to strengthen the King's hand? MP
- How much flexibility does the present Israeli government have in pursuing the peace process?
- What are the risks and benefits of an international conference in any of its current variants? Could such a conference be effective? How could we protect ourselves from its inherent traps? Are there other approaches to an international framework that would be more effective or easier to manage?
- Are there prospects for a constructive U.S. role in easing tensions over Southern Lebanon? Are tacit understandings of the sort that existed between Israel and Syria from 1976-81 possible? What are the prospects for UNIFIL? MP
- [What is our current assessment of the Syrian factor [What is the role of Egypt? Saudi Arabia? Morocco? Algeria? What are the effects of the Iran-Iraq war?]]-MP

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-- How do we prepare for the contingency of a Soviet diplomatic initiative on the Middle East? A range of possibilities - MF should be examined, from Soviet restoration of diplomatic relations with Israel to more dramatic events such as a "Tashkent-style" mediation offer. How should we deal with other Soviet diplomatic efforts to improve relations with moderate Arab countries? (a)

The review should be undertaken by an Interdepartmental Group chaired by the Assistant Secretary of State for Near Eastern and South Asian Affairs and should be concluded on or about February 13, 1987. (b)

Reed Reagan
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THE JOINT CHIEFS OF STAFF
WASHINGTON D.C. 20301

SM-72-87
27 January 1987

THE JOINT STAFF

MEMORANDUM FOR: Chairman, Joint Chiefs of Staff
Chief of Staff, US Army
Chief of Naval Operations
Chief of Staff, US Air Force
Commandant of the Marine Corps
Director, Joint Staff
Director, J-5
Director, DIA

Subject: NSSD-2

1. In accordance with CM-219-86, 14 April 1986, "Distribution of NSC Documents," the attached memorandum by the Assistant to the President for National Security Affairs, 90038, 22 January 1987, is forwarded for information and guidance.
2. The attached document is especially sensitive and must receive special handling. Access should be limited to only those individuals with a valid need to know. Further distribution/reproduction is NOT authorized without the explicit approval of the Chairman, Joint Chiefs of Staff. A record of access is required.
3. The Director, J-5, is responsible for appropriate action by the OJCS.
4. Without attachment, this memorandum is Unclassified.

DECLASSIFIED
BY Nsc
DATE 5 Oct 96

WILLIAM J. LUCAS
Colonel, USAF
Secretary

Attachment

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THE WHITE HOUSE
WASHINGTON

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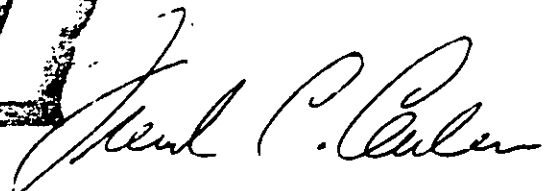
SYSTEM II
90038

January 22, 1987

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES REPRESENTATIVE TO THE
UNITED NATIONS
CHAIRMAN, JOINT CHIEFS OF STAFF
ADMINISTRATOR, AGENCY FOR INTERNATIONAL
DEVELOPMENT

SUBJECT: Central America

The President has approved the attached National Security Study Directive on Central America. A copy is forwarded for your information and action.



Frank C. Carlucci

Attachment

NSSD 2-87

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BY NSC

DATE 8 Oct 86

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THE WHITE HOUSE

WASHINGTON

SYSTEM II
90038

SECRET

January 22, 1987

NATIONAL SECURITY STUDY
DIRECTIVE NUMBER 2-87

Central America

This National Security Study Directive establishes the terms of reference for an interagency review of our basic strategy for Central America, with a view to maximizing the effectiveness of our policies over the next two years.

Our program of \$100 million in assistance to the Nicaraguan democratic resistance has now begun. Our ability to sustain the program will require the support of our Congress and of friendly countries in Central America. Our leverage over the Sandinista regime in support of our political objectives will require staying power and therefore will undoubtedly require continued funding.

Support for our Nicaragua policy by Congress and the Central American democracies will require, in turn, that the Nicaraguan resistance demonstrate its political and military credibility. The governments of Honduras, El Salvador, Costa Rica and Guatemala now are skeptical about prospects for the resistance and about the sustainability of U.S. policy. The ability and willingness of the four democratic governments to cooperate with us on Nicaragua policy will also be affected by the level of U.S. military and economic assistance to them.

The interagency review should therefore consider, e.g.:

- the objectives of the \$100 million program and how it relates to other political, economic, and security components of our overall policy toward Central America;
- the likely effect of our \$100 million program on the political and military capability of the Nicaraguan resistance; the prospects for the resistance, given sustained U.S. support, by the end of this Administration;
- the strengths and weaknesses of the political alliance represented by the United Nicaraguan Opposition (UNO); and ways to broaden participation in the armed resistance by other democratic Nicaraguan opposition groups;

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DATE 8 Oct 76

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- the role of the Nicaraguan internal opposition, including the Catholic Church, labor, private sector, and the political parties;
- the prospects for continued cooperation with our Nicaragua policy by the four regional democracies;
- the capability of the Sandinista regime to improve its counterinsurgency efforts and to suppress the internal opposition;
- the future course of Soviet and Cuban policy in supporting the consolidation of the Sandinista regime and using it to serve their pol-military interests in the region;
- the role of the Contadora and Support Groups in promoting a democratic solution in Nicaragua, and the role of Mexico and other Contadora governments in supporting Nicaragua;
- the role of the UN, and other European countries, and others in promoting democratic solutions; and
- the response of Nicaragua and the Central American democracies to these diplomatic efforts; the prospects for Central American diplomatic initiatives.

The review should contain policy recommendations on, e.g.:

- how to strengthen other components of our policy in Central America -- military, economic, political -- to reinforce the impact of our support for the Nicaraguan democratic resistance;
- whether any changes should be made in our assistance, training and advice to the Nicaraguan democratic resistance;
- how to help UNO maximize its effectiveness and acceptability in Nicaragua, internationally, and in the U.S. Congress;
- what steps might be taken to encourage the civilian populace to assist the democratic movement within Nicaragua;
- what further steps are available to increase pressures, e.g., economic, on Cuba and Nicaragua; how we might raise the costs to the Soviet Union, Cuba, and bloc countries of continued support of Nicaragua;
- how can we diminish Western assistance to Nicaragua and increase it for the four democracies;

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- whether the U.S. should encourage or undertake a more activist diplomacy, e.g., President Arias' proposal to enlist Latin and European leaders in a call for democratization in Nicaragua; how to encourage a more activist diplomacy on the part of the four democracies, especially within Latin America;
- in addition to our standing admonition on jet fighter aircraft, possible new markers on their relations with Nicaragua which we should lay down with the Soviets that would establish explicit limits beyond which the United States would react;
- whether and under what circumstances the U.S. should conduct any talks with the Sandinista regime; whether diplomatic relations with Nicaragua should be continued and, if so, at what level;
- whether adjustments are needed in our security assistance in light of heightened security concerns in Honduras and the prospect of Nicaraguan promotion of terrorism in the region;
- whether changes should be made in our economic and security assistance for El Salvador to help the GOES deal with increased urban guerrilla activity, including front operations in the universities and labor unions;
- options for improving the economic situation in Central America, including air levels and trade issues, including options for reviving intra-regional trade;
- options for improving the political situation in Central America, e.g., measures to strengthen democratic institutions and to promote cooperation and mutual support among Central American democracies and from other democratic governments in Latin America; and
- a status report on implementation of the Kissinger Commission recommendations.

This review shall be the responsibility of the Restricted Interagency Group on Latin America chaired by the Assistant Secretary of State for Inter-American Affairs. The report shall be submitted no later than February 13, 1987.

Ronald Reagan

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THE JOINT STAFF

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

SM-73-87
27 January 1987

MEMORANDUM FOR: Chairman, Joint Chiefs of Staff
Chief of Staff, US Army
Chief of Naval Operations
Chief of Staff, US Air Force
Commandant of the Marine Corps
Director, Joint Staff
Director, J-5
Director, DIA

Subject: NSSD-5

1. In accordance with CM-219-86, 14 April 1986, "Distribution of NSC Documents," the attached memorandum by the Assistant to the President for National Security Affairs, 90041, 22 January 1987, is forwarded for information and guidance.
2. The attached document is especially sensitive and must receive special handling. Access should be limited to only those individuals with a valid need to know. Further distribution/reproduction is NOT authorized without the explicit approval of the Chairman, Joint Chiefs of Staff. A record of access is required.
3. The Director, J-5, is responsible for appropriate action by the OJCS.
4. Without attachment, this memorandum is Unclassified.

WILLIAM J. LUCAS
Colonel, USAF
Secretary

Attachment

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BY NSC

DATE 8 Dec 96

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THE WHITE HOUSE

WASHINGTON

SYSTEM II
90041

January 22, 1987

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF ENERGY
THE DIRECTOR OF CENTRAL INTELLIGENCE
CHAIRMAN, JOINT CHIEFS OF STAFF
ADMINISTRATOR, AGENCY FOR INTERNATIONAL
DEVELOPMENT
COMMISSIONER, IMMIGRATION AND NATURALIZATION
SERVICE

SUBJECT: Mexico

The President has approved the attached National Security Study Directive on Mexico. A copy is forwarded for your information and action. It should be treated as highly sensitive.



Frank C. Carlucci

Attachment

NSSD 5-87

DECLASSIFIED

BY Nsc

DATE 8 Oct 96

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THE WHITE HOUSE

SYSTEM II
90041

WASHINGTON

January 22, 1987

NATIONAL SECURITY STUDY
DIRECTIVE NUMBER 5-87

Mexico (C)

This directive sets forth the terms of reference for an interagency review of the situation in Mexico and our policy toward that nation, now and in coming years.

Mexico is entering its fifth year of serious economic difficulties. Social, political, administrative, and criminal problems also increasingly afflict it. Relations between our two governments are relatively friendly, but they are subject to periodic aggravation, reflecting a tension which makes frank, in-depth discussion of common concerns difficult.

Mexico is now in the process of absorbing substantial new loans acquired in the context of a debt restructuring package, with the avowed intention to undertake basic structural reforms. On the political front the PRI system continues its dominance but faces growing pressure for reform from within and increasing disenchantment, even opposition, from segments of the population. Attention is rapidly turning now to the succession to President de la Madrid in September 1988.

The prospects for stability in Mexico depend mainly on the PRI's ability to be flexible in meeting new challenges. They also depend on continued support from the U.S. government, our banks, our private sector, and the international financial community. But certain practices and policies of the Mexican system impede economic recovery and hazard foreign support. Mexican foreign policy, particularly with regard to Central America, is a continuing irritant in our relationship, issues arising from our common border, most particularly drugs and immigration, are also matters of concern.

An interagency review should therefore consider, inter alia:

- the future course of the Mexican economy and the prospects for basic economic reform; the prospects for continued external support from oil earnings, trade, investment and loans;
- social and political trends in Mexico, with particular attention to the presidential succession, the pressures for reform, the coherence and efficacy of the PRI system, and

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the degree of popular opposition to it; PAN's prospects for becoming a national as distinguished from a regional political force;

- Soviet/Cuban intentions toward and capabilities in Mexico; the extent to which the Soviet presence is directed toward the United States;
- the roles and attitudes of key institutions: the parties, the bureaucracy, the Church, the armed forces, etc.
- the prospects, if any, for political violence, the spread of Central American violence, or armed opposition to the government;
- drug production and trafficking, as well as pervasive bureaucratic corruption, and their impact on Mexican government and politics;
- future immigration trends, and prospects for U.S.-Mexican difficulties over U.S. efforts to control the flow; third-country immigration through Mexico to the United States (e.g., Cuban), and
- trends in Mexican foreign relations, with particular attention to policies toward the United States, Central America, and the Soviet-Cuban extent.

The review should offer policy recommendations on the following:

- How can we improve effective cooperation with Mexico in economic matters and encourage the Mexican government to undertake necessary reforms?
- How, and how long, can we continue to muster support for Mexico in the private sector, among our banks, and in the international financial community?
- What should be our posture toward internal political developments in Mexico? What attitude should we adopt toward the upcoming presidential succession?
- How can we improve cooperation with Mexico on drug trafficking, immigration and border issues?
- How can we moderate those elements of Mexican foreign policy that we find objectionable? What options do we have with respect to Mexican actions harmful to our interests and policies?

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- What indicators would lead us to conclude that the present Mexican system will not remain stable but rather is headed for profound change or disintegration?
- What are our options in the event the PRI system seems headed toward demise or fundamental change?
- How could U.S.-Mexican military relations be improved? Should a significant U.S. security assistance program be considered?
- How important are Mexican energy resources to us, and how can we strengthen the U.S.-Mexican energy relationship? What circumstances would jeopardize U.S. access to these resources?

[This study should be conducted by the Interdepartmental Group chaired by the Assistant Secretary of State for Inter-American Affairs and should be completed by February 27, 1987.]

James Reagan

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301-5000

SM-89-87
2 February 1987

THE JOINT STAFF

MEMORANDUM FOR: Chairman, Joint Chiefs of Staff
Chief of Staff, US Army
Chief of Naval Operations
Chief of Staff, US Air Force
Commandant of the Marine Corps
Director, Joint Staff
Director, J-5

Subject: NSSD-7

1. In accordance with CM-219-86, 14 April 1986, "Distribution of NSC Documents," the attached memorandum by the Deputy Assistant to the President for National Security Affairs, 90048, 30 January 1987, is forwarded for information and guidance.
2. The attached document is especially sensitive and must receive special handling. Access should be limited to only those individuals with a valid need to know. Further distribution/reproduction is NOT authorized without the explicit approval of the Chairman, Joint Chiefs of Staff. A record of access is required.
3. The Director, J-5, is responsible for appropriate action by the OJCS.
4. Without attachment, this memorandum is Unclassified.

William J. Lucas

WILLIAM J. LUCAS
Colonel, USAF
Secretary

Attachment

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BY NSC
DATE 8 Oct 96

Copy 11 of 12 Copies each
of 5 pages series "A"

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THE WHITE HOUSE
WASHINGTON

SYSTEM II
30 JAN 87 98048
OFFICE OF THE
SECRETARY OF DEFENSE

January 30, 1987

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF COMMERCE
THE SECRETARY OF ENERGY
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE UNITED STATES TRADE REPRESENTATIVE
THE ASSISTANT TO THE PRESIDENT FOR POLICY
DEVELOPMENT
THE DIRECTOR, OFFICE OF SCIENCE AND TECHNOLOGY

SUBJECT: National Security Study Directive on National and
Multilateral Strategic Export Controls

On January 27, 1987, the President announced as part of his Competitive-ness Initiative that he was directing the Cabinet to review the export control program and to report recommendations to him by early March. The attached National Security Study Directive provides terms of reference and a schedule for a review of national and multilateral strategic export controls in accordance with that announcement.


Please provide whatever assistance is necessary to the Chairman of the Senior Interagency Group on Transfer of Strategic Technology (SIG-TT) to ensure that the early March deadline for the NSSD is met. As noted in the NSSD, the Chairman of the SIG-TT will be responsible for the day to day management of the study. A senior policy group, chaired by the Assistant to the President for National Security Affairs and comprised of representatives of addressees will have overall responsibility for dispute resolution as well as determining what recommendations and initiatives should be forwarded to the President for inclusion in a National Security Decision Directive to guide U.S. export control policy.

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DATE 8 Oct 86

Attachment
NSSD 7-87


Colin L. Powell
Deputy Assistant to the President
for National Security Affairs

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BY NSC

DATE 8 Oct 92

THE WHITE HOUSE

WASHINGTON

January 30, 1987

NATIONAL SECURITY STUDY
DIRECTIVE NO. 7-87

NATIONAL AND MULTILATERAL STRATEGIC EXPORT CONTROLS

Introduction

The diversion of sophisticated manufacturing, computer, and other sensitive technologies represents a significant problem in sustaining the long-term security of the West. The Western alliance must sustain a substantial lead in key militarily related technologies if it is to effectively deter the Soviet threat. The aggressive Soviet program to obtain these technologies remains undiminished. At the same time, the consensus we have developed to protect these important technologies may unravel as the Congress and business community seek changes in the control program to facilitate exports. Our allies face similar pressures. The challenge is to develop an approach which will protect our security, but provide opportunities for growth and development of key sectors important to our long-term economic strength.

The Administration faces a clear requirement for comprehensive policy guidance on export controls to balance the West's economic and security concerns. On January 27, 1987, I announced as part of the President's Competitiveness Initiative, that I was directing the Cabinet to undertake a review of the export control program and to report to me by early March. In accordance with that announcement, this National Security Study Directive establishes the Terms of Reference of an interagency study to develop a current and comprehensive United States policy on national and multilateral strategic export controls.

Objective

The objective of this study is to conduct a national-level policy review of the U.S. Government's efforts to formulate and administer national and multilateral strategic export controls.

The compilers of this study should review the policy in the context of maintaining long-term competitiveness and with a view to preserving and strengthening the national security goals which have been achieved thus far. National strategic export controls should seek to preserve and enhance Western technological lead and military capabilities, while minimizing the constraints on the economic vitality of the United States,

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its allies, and other nations friendly to Western interests.

The study, which should contain options as appropriate, will enable the Administration to devise a strategy to address relevant national security, economic, political, legislative and diplomatic concerns.

Scope

The study will embody a comprehensive review of the policies, objective, organization, and priorities of the U.S. government in the formulation and execution of national and multilateral strategic export controls.

The study will review related documents, directives and studies to form the basis of recommendations to the President. These shall include:

Export Administration Act of 1979, As Amended

The International Lists of the Coordinating Committee on Export Controls (COCOM)

The U.S. Commodity Control List

The Militarily Critical Technologies List (MCTL)

The study will also take into account materials and conclusions of related intelligence and other appropriate studies.

The interagency group will produce recommendations and a supporting report by early March, 1987, for review by a senior policy group chaired by the Assistant to the President for National Security Affairs. The study will address, at a minimum, those issues raised in my January 27, 1987 Competitiveness Initiative announcement and:

1. Reduction, where appropriate, of the number of items contained in national and multilateral control lists;
2. Measures to strengthen national and international enforcement;
3. Means to ensure that U.S. exporters are not being disadvantaged in West-West and West-East trade, especially where evidence of foreign availability exists;
4. Improvements in the U.S. system of license processing, including such areas as:

administrative improvements,

greater use of time-certain mechanisms by which decisions must be reached,

5. Recommendations for improving and harmonizing the licensing and enforcement efforts of the U.S. and its COCOM allies;
6. U.S. and COCOM initiatives concerning third-country cooperation in strategic-export controls;
7. Greater coordination of interagency efforts to further the goals of strategic export controls and to maintain U.S. competitiveness;
8. Measures to improve administrative efficiencies of national and multilateral strategic export controls;
9. Provide recommendations on the appropriate rate of further liberalization of export controls to the PRC if warranted at this time.

In addition, before the overall study is completed, I am directing senior representatives of the Departments of State, Defense, and Commerce to meet immediately to consider possible legislative proposals that might be included in the Administration's Competitiveness bill which I will transmit to Congress in February. Recommendations from these agencies should be reported to me by no later than close of business, Monday, February 2.

Administration

The Under Secretary of State for Security Assistance, Science and Technology, as the Chairman of the Senior Interagency Group on Transfer of Strategic Technology (SIG-TT) will be responsible for the day-to-day management and coordination of the study effort. He will be assisted by an Executive Committee consisting of senior representatives of the Departments of State, Commerce and Defense. The Chairman of the SIG-TT, after consulting the Executive Committee, will submit the study outline by February 5, 1987, to the Assistant to the President for National Security Affairs. The study should be completed no later than early March, 1987.

Policy initiatives and other recommendations from the study team will be submitted to a senior policy group chaired by the Assistant to the President for National Security Affairs. The interagency group will include senior representatives from the Departments of State, Treasury, Defense, Justice, Commerce, Energy, Office of Management and Budget, Central Intelligence Agency, the U.S. Trade Representative, Office of Policy Development, and the Office of Science and Technology Policy.

Ronald Reagan

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THE WHITE HOUSE

WASHINGTON

February 3, 1987

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3

MEMORANDUM FOR THE VICE PRESIDENT
 THE SECRETARY OF STATE
 THE SECRETARY OF THE TREASURY
 THE SECRETARY OF DEFENSE
 THE ATTORNEY GENERAL
 THE SECRETARY OF COMMERCE
 THE SECRETARY OF TRANSPORTATION
 THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
 THE DIRECTOR OF CENTRAL INTELLIGENCE
 THE ACTING ASSISTANT TO THE PRESIDENT FOR
 POLICY DEVELOPMENT
 THE ASSISTANT TO THE PRESIDENT AND CABINET SECRETARY
 THE CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
 THE CHAIRMAN, JOINT CHIEFS OF STAFF
 THE DIRECTOR, OFFICE OF SCIENCE AND TECHNOLOGY POLICY
 THE ADMINISTRATOR, NATIONAL AERONAUTICS AND
 SPACE ADMINISTRATION

SUBJECT: NSDD on Guidance to the U.S. Delegation for
 Negotiations with Western Europe, Japan and Canada
 on the Space Station

The President has signed the attached National Security Decision
 Directive.

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BY NSC

DATE 5 Oct 96

Frank C. Carlucci

Attachment
NSDD 257

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

SM-95-87
5 February 1987

THE JOINT STAFF

MEMORANDUM FOR: Chairman, Joint Chiefs of Staff
Chief of Staff, US Army
Chief of Naval Operations
Chief of Staff, US Air Force
Commandant of the Marine Corps
Director, Joint Staff
Director, J-5
Director, DIA

Subject: NSDD-257

1. In accordance with CM-219-86, 14 April 1986, "Distribution of NSC Documents," the attached memorandum by the Assistant to the President for National Security Affairs, 90096, 3 February 1987, is forwarded for information and guidance.
2. The attached document is especially sensitive and must receive special handling. Access should be limited to only those individuals with a valid need to know. Further distribution/reproduction is NOT authorized without the explicit approval of the Chairman, Joint Chiefs of Staff. A record of access is required.
3. The Director, J-5, is responsible for appropriate action by the OJCS.
4. Without attachment, this memorandum is Unclassified.

WILLIAM J. LUCAS
Colonel, USAF
Secretary

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DATE 8 Oct 96

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THE WHITE HOUSE

WASHINGTON

February 3, 1987

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NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 257

Guidance to the U.S. Delegation for
Negotiations with Western Europe, Japan and Canada
on the Space Station (U)

The U.S. Delegation to the Negotiations on development and deployment of the U.S. Space Station should be guided by the attached Principles and Guidelines during the next and all subsequent rounds of talks with Canada, the European Space Agency, and Japan.

Attachment
Principles & Guidelines

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Guidance to the U.S. Delegation
for Negotiations with Western Europe, Japan, and Canada
on their Participation in a Permanently Manned Space Station (U)

General Policies

1. Build a permanently manned space station consisting of a core U.S. Space Station, which, with the Canadian-provided Mobile Servicing Center, is capable of reliable autonomous operation by the U.S. and capable of allowing for manned and unmanned elements provided by cooperating countries taking part in the program. (U)
2. Attempt to secure the participation of U.S. friends and allies in the Space Station program. (U)
3. Demonstrate U.S. world leadership in space science and technology. Promote world recognition of the Space Station as a national achievement of the United States. (U)
4. Ensure that agreements concerning international participation in the Space Station promote U.S. national interests. (U)
5. Promote U.S. economic interests and enhance the overall U.S. competitive position in space technology. (U)
6. Foster international cooperation in basic scientific research. (U)
7. Ensure a reasonable return on the U.S. government investment in space technology and seek to create an appropriate opportunity for U.S. private sector investment in space. (U)
8. Ensure consistency with U.S. policy objectives regarding U.S. Government launch programs and U.S. private sector commercialization of space transportation services. (U)
9. Ensure that the United States can achieve autonomous, reliable operation of the Space Station within approved funding levels even if any or all foreign participants withdraw from the program. (U)
10. A special Working Group has been convened to resolve Space Station legal issues and draft proposed language that will be used in these Principles and Guidelines. Results of their findings are required as soon as practical to meet negotiation milestones. The Department of State will chair this effort and provide their findings to the Interagency Group (Space) within 60 days of the date of this NSDD. (U)

Guidance

1. Maintain the initiative in the negotiations and seek to focus discussions on U.S. draft texts consistent with policy guidance. (U)
2. Seek mutually beneficial agreements on participation in the detailed design, development, operation, and utilization of the civil Space Station by friends and allies of the U.S., specifically Western Europe, Japan, and Canada. (U)
3. Ensure consistency throughout the agreement with the following definitions: The U.S. has a Space Station program which will produce the core U.S. Space Station. The international participants each have programs to produce hardware elements which will add to the capabilities of the core U.S. Space Station. Together, the core U.S. Space Station and the international hardware elements will be referred to as "the Space Station Complex." The term partners in resulting international agreements will refer to the Republic of Austria, the Kingdom of Belgium, the Government of Canada, the Kingdom of Denmark, the French Republic, the Federal Republic of Germany, the Republic of Ireland, the Italian Republic, the Government of Japan, the Kingdom of the Netherlands, the Kingdom of Norway, the Kingdom of Spain, the Kingdom of Sweden, the Swiss Confederation, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Collectively, the agreements will define the relationship between and among, and the respective obligations of, the partners. (U)
4. Ensure that the framework for international participation in the Space Station program demonstrates the benefits of working with the U.S. in space, so that cooperation with our friends and allies will continue in the future and these countries will associate their programs with ours. (U)
5. Ensure that any international participation strengthens the ability of the United States to operate a Space Station with enhanced capabilities in the mid-1990s for U.S. users, including government, scientific, and commercial users. (U)
6. Ensure that any foreign participants recognize and agree that the United States may use the U.S. elements of the Space Station and the Canadian-provided Mobile Servicing Center for national security purposes, consistent with U.S. Law and U.S. international obligations, without their consent or necessarily their review. (U)
7. Ensure that the U.S. scientific community and U.S. private sector entities will have appropriate opportunities to use U.S. elements of the Space Station and the U.S. share of other elements, within the U.S. allocation of utilization resources. (U)

8. Ensure that the U.S. can at all times select the Commander and can control and exercise authority over all Space Station activities including access, necessary to ensure safety and to enforce physical and information security procedures. (U)
9. Establish management arrangements that ensure necessary U.S. control of Space Station detailed design, development, operation, and utilization. These arrangements should ensure that foreign partners participate in deliberations and decisions affecting their interests, but should explicitly provide for U.S. ability to make unilateral decisions where necessary. These arrangements should enhance safe and effective development, operation, and utilization of the Space Station under U.S. control. (U)
10. Provide that the U.S. will select specific crew complements for specific crew rotation cycles from U.S. and partner country crew corps, and retain the flexibility to man the Station with an all U.S. crew if necessary. (U)
11. Seek the agreement of the international partners to principles for sharing utilization of Space Station resources and for sharing operational costs. (U)
12. Ensure that agreements contain provisions which govern the transfer of technology on board the Space Station or among Space Station participants. These provisions shall take into account the protection of U.S. national security interests and the fostering of U.S. economic interests in appropriate cases in accordance with U.S. laws, regulations, and policy. (U)
13. Promote, encourage and facilitate commercial launches by the U.S. private sector in support of the Space Station program. (U)
14. Seek inclusion in the agreements of language stating that the commitments undertaken will be subject to the availability of funds and to the funding procedures of each participating government and the European Space Agency. (U)
15. Without prejudice to the potential need for a multi-lateral intergovernmental agreement, negotiate both a government-level and an agency-level agreement with each of the partners. In the case of Europe, the agency-level agreement should be signed by NASA and the European Space Agency (ESA), whereas the government-level agreement should be signed by the United States and all participating ESA member governments. The U.S. side should ensure that all matters requiring commitments by governments are dealt with in the government-level agreement or agreements, but that, to the extent possible, matters primarily of a programmatic or technical nature are dealt with in the agency-level agreement or agreements. (U)

16. The U.S. side should seek explicit agreement to a process for making any necessary amendments to the agreements over the life of the Space Station program. (U)

17.

Ronald Reagan

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