Case Number: 2006-0191-F

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Folder Title:
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Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Richard A. Clarke to Jim Steinberg; re: Unconventional Threats Against the U.S. (1 page)	02/18/1998	P1/b(1)
001b. memo	From POTUS to VPOTUS et al - Presidential Decision Directive; re: Protection Against Unconventional Threats to the Homeland and Americans Overseas (13 pages)	circa, 02/1998	P1/b(1)
002a. memo	Glyn T. Davies to William J. Burns; re: Telephone Conversation with POTUS and U.N. Secretary General Kofi Annan (1 page)	02/19/1998	P1/b(1)
002b. memcon	re: Telephone Conversation with POTUS & U.N. Secretary General Kofi Annan (4 pages)	02/17/1998	P1/b(1)
003. memo	Ronald K. Peterson to Legislative Liaison Officer; re: Commerce Draft Bill - Repeal of Certain Export Controls on High Performance Computers (1 page)	02/20/1998	P1/b(1)
004a. memo	William Burns to Glyn T. Davies; re: Transfer of Munitions (3 pages)	02/19/1998	P1/b(1)
004b. memo	Glyn T. Davies to William Burns & Colonel James Mattis; re: Presidential Determination (1 page)	circa, 02/1998	P1/b(1)
005. memo	William J. Burns to Glyn T. Davies; re: Military Drawdown for Jordan (1 page)	02/19/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Richard A. Clarke (Transnational Threats (TNT))
OA/Box Number: 1381

FOLDER TITLE:

February Chron - 1998 [5]

2006-0191-F
jp272

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
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~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

20144

MEMORANDUM FOR

MR. LEON FUERTH
Assistant to the Vice President for National Security Affairs

MR. WILLIAM J. BURNS
Executive Secretary
Department of State

MR. NEAL COMSTOCK
Executive Secretary
Department of the Treasury

COL. JAMES N. MATTIS
Executive Secretary
Department of Defense

MR. GERALD A. SCHROEDER
Acting Counsel for Intelligence Policy
Department of Justice

MR. JIM DORSKIND
Executive Secretary Executive Secretariat
Department of Commerce

MS. CLAUDIA COOLEY
Executive Secretary
Department of Health and Human Services

MS. JEANNE SMITH
Acting Director Executive Secretariat
Department of Transportation

MR. JAMES N. SOLIT
Director, Executive Secretariat
Department of Energy

MS. MONA SUTPHEN
Executive Assistant to the Representative of the U.S. to the United Nations

DR. GORDON ADAMS
Associate Director for National Security and International Affairs
Office of Management and Budget

MR. JAMES E. STEINER
Executive Secretary
Central Intelligence Agency

MS. JANE BULLOCK
Acting Chief of Staff
Federal Emergency Management Agency

DR. KERRI-ANN JONES
Associate Director for National Security and International Affairs
Office of Science and Technology Policy

COL. M. MANNING, USMC
Secretary, Joint Staff

MR. JOHN F. LEWIS
Assistant Director, National Security Division
Federal Bureau of Investigation

MR. LEWIS MERLETTI
DIRECTOR, U.S. SECRET SERVICE

~~SECRET~~
Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 02/18/08

DECLASSIFIED
E.O. 12958, As Amended,
White House Guidelines, August 28, 1997
By JGP NARA, Date 09/19/06
2006-0191-F

SUBJECT: Unconventional Threats Against the U.S. (PDD-XX, PDD-YY) (U)

1. As agreed by the Deputies Committee, the attached drafts have been revised to take into account comments from agencies.

2. If any member of the Principle Committee wishes to dissent from either draft, they should provide written comments to the National Security Advisor prior to 24 February. Those comments will be provided to the President along with the attached drafts.

Glyn T. Davies
Executive Secretary

Attachments
Tab A Draft PDD-XX
Tab B Draft PDD-YY

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001b. memo	From POTUS to VPOTUS et al - Presidential Decision Directive; re: Protection Against Unconventional Threats to the Homeland and Americans Overseas (13 pages)	circa, 02/1998	P1/b(1)

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PRESIDENTIAL DECISION DIRECTIVE/NSC-YY

TO: 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 Health and Human Services
The Secretary of Transportation
The Secretary of Energy
The Director, Office of Management and Budget
The Administrator, Environmental Protection Agency
The Director of Central Intelligence
The Chairman, Joint Chiefs of Staff
The Direction, Federal Bureau of Investigations
The Director, Federal Emergency Management Agency
The Director, National Security Agency
The Assistant to the President for National Security Affairs
The Assistant to the President for Economic Policy
The Assistant to the President for Science and Technology

SUBJECT: Critical Infrastructure Protection (U)

I. A Growing Potential Vulnerability (U)

The United States possesses both the world's strongest military and its largest national economy. Those two aspects of our power are mutually reinforcing and dependent. They are also increasingly reliant upon certain critical infrastructures and upon cyber-based information systems. (U)

Critical infrastructures are those physical and cyber-based systems essential to the minimum operations of the economy and government. They include but are not limited to telecommunications, energy, banking and finance, transportation, water systems, and emergency services, both governmental and private. Many of the critical infrastructures in the nation have historically been physically and logically separate systems that had little interdependence. As a result of advances in information technology and the necessity of improved efficiency, however, these infrastructures have become increasingly automated and interlinked. These same advances, however, have created new vulnerabilities to both physical and cyber attacks.

Addressing these vulnerabilities will necessarily require flexible, evolutionary approaches that span both the public and private sectors, and protect both domestic and international security. (U)

Because of our military strength, future enemies, whether nations, groups or individuals, may seek to harm us in non-traditional ways including attacks within the United States. Because our economy is increasingly reliant upon interdependent and cyber-supported infrastructures, non-traditional attacks on our infrastructure and information systems may be capable of significantly harming both our military power and our economy. (U)

II. President's Intent (U)

It has long been the policy of the United States to assure the continuity and viability of critical infrastructures. I intend that the United States will take all necessary measures to swiftly eliminate any significant vulnerability to both physical and cyber attacks on our critical infrastructures, including especially our cyber systems. (U)

III. A National Goal (U)

No later than the year 2000, the United States shall have achieved an initial operating capability, and no later than five years from today the United States shall have achieved and shall maintain the ability to protect our nation's critical infrastructures from intentional acts that would significantly diminish the abilities of:

- o the United States Government to perform essential national security missions and to ensure the general public health and safety;

- o state and local governments to maintain order and to deliver minimum essential public services;

- o the private sector to ensure the orderly functioning of the economy and the delivery of essential telecommunications, energy, financial, and transportation services. (U)

Any interruptions or manipulations of these critical functions must be brief, infrequent, manageable, geographically isolated, and minimally detrimental to the welfare of the United States. (U)

IV. A Public-Private Partnership to Reduce Vulnerability (U)

Since the targets of attacks on our critical infrastructure would likely include both facilities in the economy and those in the government, the elimination of our potential vulnerability requires a closely coordinated effort of both the government and the private sector. To succeed, this partnership must be genuine, mutual, and cooperative. In seeking to meet our national goal to eliminate the vulnerabilities of our critical infrastructure, therefore, we should to the extent feasible seek to avoid outcomes that increase government regulation or expand unfunded government mandates to the private sector. (U)

For each of the major sectors of our economy that are vulnerable to infrastructure attack, the U.S. Government will appoint from a designated Lead Agency a senior officer of that agency as the Sector Liaison Official to work with the private sector. Sector Liaison Officials, after discussions and coordination with with private sector entities of their infrastructure sector, will identify a private sector counterpart (Sector Coordinator) to represent their sector. (U)

Together these two individuals and the departments and corporations they represent shall contribute to a sectoral National Infrastructure Assurance Plan by:

- o assessing the vulnerabilities of the sector to cyber or physical attacks;

- o recommending a plan to eliminate significant vulnerabilities;

- o proposing a system for identifying and preventing attempted major attacks;

- o developing a plan for alerting, containing, and rebuffing an attack in progress and then, in coordination with FEMA as appropriate, rapidly reconstituting minimum essential capabilities in the aftermath of an attack. (U)

During the preparation of the sectoral plans, the National Coordinator (see section VI), in conjunction with the Lead Agency Sector Liaison Officials, shall ensure their overall coordination and the integration of the various sectoral plans, with a particular focus on interdependencies. (U)

V. Guidelines (U)

In addressing this potential vulnerability and the means of eliminating it, I want those involved to be mindful of the following general principles and concerns. (U)

- We shall consult with and seek input from the Congress on approaches and programs to meet the objectives set forth in this directive.

- The protection of our critical infrastructures is necessarily a shared responsibility and partnership between owners, operators, and the government. Furthermore, the U.S. government shall encourage international cooperation to help manage this increasingly global problem. (U)

- Frequent assessments shall be made of our critical infrastructures' existing reliability, vulnerability and threat environment because, as technology and the nature of the threats to our critical infrastructures will continue to change rapidly, so must our protective measures and responses be robustly adaptive. (U)

- To the maximum extent possible, market forces - such as those responding to mandated requirements for insurance or to requirement for minimum security measures as a condition of access to the U.S. infrastructure -- shall be brought to bear. These incentives, along with other actions, shall be designed to help harness the latest technologies, bring about global solutions to international problems, and enable private sector owners and operators to achieve and maintain the maximum feasible security. (U)

- Care must be taken to respect privacy rights. Consumers and operators must have confidence that information will be handled accurately, confidentially, and reliably. (U)

- The U.S. government shall, through its research, development and procurement, encourage the introduction of increasingly capable methods of infrastructure protection. (U)

- The U.S. government shall serve as a model to the private sector on how infrastructure assurance is best achieved, and shall to the extent feasible distribute the results of its endeavors. (U) o We must focus on preventative measures as well as threat and crisis management. To that end, private sector owners and operators should be encouraged to provide maximum feasible security for the infrastructures they control and to provide the government necessary information to assist them in that task. In order to engage the private sector fully, it is preferred that participation by owners and operators in a national infrastructure protection system be voluntary.

o The full authorities, capabilities, and resources of the government, including law enforcement, regulation, foreign intelligence and defense preparedness shall be available, as appropriate, to ensure that critical infrastructure protection is achieved and maintained. (U)

VI. Structure and Organization (U)

The United States Government will be organized for the purposes of this endeavor around four components (elaborated in Annex A). (U)

1. Lead Agencies for Sector Liaison: For each infrastructure sector that could be a target for significant cyber or physical attacks, there will be a single U.S. government department which will serve as the lead agency for liaison. Each Lead Agency will designate one individual of Assistant Secretary rank or higher to be the Sector Liaison Official for that area and to cooperate with the private sector representatives (Sector Coordinators) in addressing problems related to critical infrastructure protection and, in particular, in recommending components of the National Infrastructure Assurance Plan. Together, the Lead Agency and the private sector counterparts will develop and implement a Vulnerability Awareness and Education Program for their sector. (U)

2. Lead Agencies for Special Functions: There are, in addition, certain functions related to critical infrastructure protection that must be chiefly performed by the U.S. Government (national defense, foreign affairs, intelligence, law enforcement). For each of those special functions, there shall be a Lead Agency which will be responsible for coordinating all of the activities of the U.S. Government in that area. Each lead agency will appoint a senior officer of Assistant Secretary rank or higher to serve as the Functional Coordinator for that function for the Federal Government. (U)

3. Interagency Coordination: The Sector Liaison Officials and Functional Coordinators of the Lead Agencies, as well as representatives from other relevant departments and agencies, including the National Economic Council, will meet to coordinate the implementation of this directive under the auspices of a Critical Infrastructure Coordinating Group (CICG), chaired by the National Coordinator for Security, Critical Infrastructure and Counter-terrorism. The National Coordinator will be appointed by me and report to me through the Assistant to the President for National Security Affairs, who shall assure appropriate coordination with the Assistant to the President for Economic Affairs. Agency representatives to the CICG should be at a senior policy level (Assistant Secretary or higher). (U)

4. National Infrastructure Assurance Council: On the recommendation of the Lead Agencies and the National Coordinator, I will appoint a panel of major infrastructure providers and state and local government officials to serve as my National Infrastructure Assurance Council. I will appoint the Chairman. The National Coordinator will serve as the Council's Executive Director. The National Infrastructure Assurance Council will meet periodically to enhance the partnership of the public and private sectors in protecting our critical infrastructures and will provide reports to me as appropriate. Senior federal government officials will participate in the meetings of the National Infrastructure Assurance Council as appropriate. (U)

VII. Protecting Federal Government Critical Infrastructures (U)

Every department and agency of the U.S. government shall be responsible for protecting its own critical infrastructure, especially its cyber-based systems. Every department and agency Chief Information Officer (CIO) shall be responsible for information assurance. Every department and agency shall appoint a Chief Infrastructure Assurance Officer (CIAO) who shall be responsible for the protection of all of the other aspects of that department's critical infrastructure. The CIO may be double-hatted as the CIAO at the discretion of the individual department. These officials shall establish procedures for obtaining expedient and valid authorizations to allow vulnerability assessments to be performed on government computer and physical systems and the Department of Justice shall establish legal guidelines for providing for such authorizations. (U)

No later than 120 days from today, every department and agency shall develop a plan for protecting its own critical infrastructure, including but not limited to its cyber-based systems. The National Coordinator shall be responsible for coordinating analyses required by the departments and agencies of inter-governmental dependencies and the mitigation of those dependencies. The Critical Infrastructure Coordinating Group (CICG) shall sponsor an expert review process for those plans. No later than two years from today, those plans shall have been implemented and shall be updated every two years. In meeting this schedule, the United States Government shall present a model to the private sector on how best to protect critical infrastructure. (U)

VIII. Tasks (U)

Within 180 days, the Principals Committee should submit to me a schedule for completion of a National Infrastructure Assurance Plan with milestones for accomplishing the following subordinate and related tasks. (U)

1. Vulnerability Analyses: For each sector of the economy and each sector of the government that might be a target of infrastructure attack intended to significantly damage the United States, there shall be an initial vulnerability assessment, followed by periodic updates. As appropriate, these assessments shall also include the determination of the minimum essential infrastructure in each sector. (U)

2. Remedial Plan: Based upon the vulnerability assessment, there shall be a recommended remedial plan. The plan shall identify timelines for implementation, responsibilities, and funding. (U)

3. Warning: A national center to warn of significant infrastructure attacks will be established immediately (see Annex A). As soon thereafter as possible, we will put in place an enhanced system for detecting and analyzing such attacks, with maximum possible participation of the private sector. (U)

4. Response: We shall develop a system for responding to a significant infrastructure attack while it is underway, with the goal of isolating and minimizing damage. (U)

5. Reconstituting: For varying levels of successful infrastructure attacks, we shall have a system to reconstitute minimum required capabilities rapidly. (U)

6. Education and Awareness: There shall be Vulnerability Awareness and Education Programs within both the government and the private sector to sensitize people to the importance of security and to train them of security standards, particularly regarding cyber systems. (U)

7. Research and Development: Federally sponsored research and development in support of infrastructure protection shall be coordinated, subject to multi-year planning, take into account private sector research, and be adequately funded to minimize our vulnerabilities on a rapid but achievable timetable. (U)

8. Intelligence: The Intelligence Community shall develop and implement a plan for enhancing collection and analysis of the foreign threat to our national infrastructure, to include but not be limited to the foreign cyber/information warfare threat. (U)

9. International Cooperation: There shall be a plan to expand cooperation on critical infrastructure protection with like-minded and friendly nations, international organizations, and multinational corporations. (U)

10. Legislative and Budgetary Requirements: There shall be an evaluation of the executive branch's legislative authorities and budgetary priorities regarding critical infrastructure, and ameliorative recommendations shall be made to me as necessary. In addition, on a more expedited basis, the OMB Director shall review my FY99 budget to ascertain if appropriate resources have been identified for the next fiscal year.(U)

The CICG shall also review and schedule the taskings listed in Annex B. (U)

IX. Implementation (U)

In addition to the 180 day report, the National Coordinator shall provide an annual report on the implementation of this directive to me and the heads of departments and agencies, through the Assistant to the President for National Security Affairs. The report should include an updated threat assessment, a status report on achieving the milestones identified for the National Plan, and additional policy, legislative and budgetary recommendations. In addition, following the establishment of an initial operating capability in the year 2000, the National Coordinator shall conduct a zero-based review. (U)

Annex A: Structure and Organization (U)

Lead Agencies: Clear accountability within the U.S. government must be designated for specific sectors and functions. The following assignments of responsibility will apply. (U)

Lead Agencies for Sector Liaison:

Commerce	Information and communications
Treasury	Banking and finance
EPA	Water supply
Transportation	Aviation Highways (including trucking and intelligent transportation systems) Mass transit Pipelines Rail Waterborne commerce
Justice	Emergency law enforcement services
FEMA	Emergency fire service Continuity of government services
HHS	Emergency medicine and public health services
Energy	Electric power Oil and gas production and storage

Lead Agencies for Special Functions:

Justice/FBI	Law enforcement and internal security
DCI	Foreign intelligence
State	Foreign affairs
Defense	National defense (U)

In addition, OSTP shall be responsible for coordinating research and development agendas and programs for the government through the National Science and Technology Council. Furthermore, while Commerce is the lead agency for information and communication, the Department of Defense will retain its Executive Agent responsibilities for the National Communications System and support of the President's National Security Telecommunications Advisory Committee. (U)

<u>National Coordinator</u>: The National Coordinator for Security, Critical Infrastructure and Counter-terrorism shall be responsible for coordinating the implementation of this directive. The National Coordinator will report to me through the Assistant to the President for National Security Affairs. The National Coordinator will chair the interagency coordination committee, the Critical Infrastructure Coordinating Group (CICG). Although the National Coordinator will not direct Departments and Agencies, he or she will ensure interagency coordination for policy development, implementation, crisis management, and resource review, working with OMB in their normal budget process. The Sector Liaison Officials and Special Function Coordinators shall attend the CIGC's meetings. Departments and agencies shall each appoint to the CIGC a senior official (Assistant Secretary level or higher) who will regularly attend its meetings. (U)

A National Plan Coordination (NPC) staff will be contributed on a non-reimbursable basis by the departments and agencies. The NPC staff will integrate the various sector plans into a National Infrastructure Assurance Plan and coordinate analyses of the U.S. government's own dependencies on critical infrastructures. The NPC staff will also help coordinate a national education and awareness program, and legislative and public affairs. (U)

The Commerce Department shall provide to the NPC a National Director for Public-Private Partnership, who shall be responsible for interagency coordination of the U.S. government's relations with the private sector regarding critical infrastructure protection. The National Director for Public-Private Partnership shall help facilitate the creation of the Information Sharing and Analysis Center (see below) and shall attend the meetings of the National Infrastructure Assurance Council and the Critical Infrastructure Coordinating Group. (U)

The Defense Department shall continue to serve as Executive Agent for the Commission Transition Office and then the NPC staff. DoD shall provide the NPC with its Executive Director who will also act as the executive secretary of the CICG. The NPC will terminate at the end of FY01, unless extended by Presidential directive. (U)

Warning and Information Centers

As part of a national warning and information sharing system, I immediately authorize the FBI to expand its current organization to a full scale Infrastructure Protection Center (IPC). This organization shall serve as a national critical infrastructure threat assessment, warning, vulnerability, investigation and response entity. During the initial period of six to twelve months, I also direct the National Coordinator and the Sector Liaison Officials, working together with the Sector Coordinators and the Special Function Coordinators, as appropriate, to consult with owners and operators of the critical infrastructures to encourage the creation of a private sector sharing and analysis center, as described below. (U)

Infrastructure Protection Center (IPC): The IPC will include FBI, USSS, and other investigators experienced in computer crimes and infrastructure protection, as well as representatives detailed from the Department of Defense, the Intelligence Community, and Lead Agencies. It will also have representatives from the private sector hired as full-time government employees or as contractors. It will be linked electronically to the rest of the U.S. government, including other warning and operations centers, as well as any private sector sharing and analysis centers, perhaps one as proposed below. Its mission will include providing timely warnings of intentional threats and when appropriate system failures, comprehensive analyses, and law enforcement investigation and response. (U)

All executive departments and agencies shall cooperate with the IPC and provide such assistance, information and advice and the IPC may request, to the extent permitted by law. All executive departments shall also share with the IPC information about threats and warning of attacks, and about actual attacks on critical government and private sector infrastructures, to the extent permitted by law. The IPC will include elements responsible for warning, analysis, computer investigation, emergency response, and outreach. In addition, it will establish its own relations directly with others in the private sector and with any information sharing and analysis entity that the private sector may create, such as the Information Sharing and Analysis Center suggested below. (U)

The IPC, in conjunction with the information originating agency, will sanitize law enforcement and intelligence information for inclusion into analyses and reports that it will provide, in appropriate form, to relevant federal, state and local agencies;

the relevant owners and operators of critical infrastructures; and to any private sector information sharing and analysis entity. Whether as sanitized or unsanitized reports, the IPC will issue attack warnings or alerts to increases in threat condition to any private sector information sharing and analysis entity and to the owners and operators. These warnings may also include guidance regarding additional protection measures to be taken by owners and operators. Except in extreme emergencies, the IPC shall coordinate with the National Coordinator before issuing public warnings of imminent attacks by international terrorists, foreign states, or other malevolent foreign powers. (U)

The IPC will provide a national focal point for gathering information on threats to the infrastructures. Additionally, the IPC will provide the principal means of facilitating and coordinating the U.S. government's response to an incident, mitigating attacks, and investigating threats. As such, depending on the nature and level of a foreign threat/attack, protocols established between special function agencies (DoJ/DoD/CIA), and the ultimate decision of the President, the IPC may be placed in a direct support role to either DoD or the Intelligence Community. (U)

Information Sharing and Analysis Center (ISAC): The National Coordinator, working with Sector Coordinators and Sector Liaison Officials, shall consult with owners and operators of the critical infrastructures to encourage the creation of a private sector information sharing and analysis center. Such a center could serve as a mechanism for gathering, analyzing, and disseminating private sector information and information received from the IPC regarding critical infrastructure protection, including information about vulnerabilities, threats, intrusions, and anomalies. The actual design and functions of the center and its relation to the IPC will be determined by the private sector, in consultation with and with assistance from the federal government.

As ultimately designed by private sector representatives, the ISAC may emulate particular aspects of such institutions as the Centers for Disease Control and Prevention that have proved highly effective, particularly its extensive interchanges with the private and non-federal sectors. Under such a model, the ISAC would possess a large degree of technical focus and expertise and non-regulatory and non-law enforcement missions. It would establish baseline statistics and patterns on the various infrastructures, become a clearinghouse for information within and among the various sectors, and provide a library for historical data to be used be the private sector and, as deemed appropriate by the ISAC, by the government. Critical to the success of such an institution would be its timeliness, accessibility, coordination, flexibility, utility, and acceptability.

Annex B: Additional Taskings (U)

Studies (U)

The National Coordinator shall commission studies on the following subjects: (U)

o Liability issues arising from participation by private sector companies in the information sharing process. (U)

o Existing legal impediments to information sharing, with an eye to proposals to remove these impediments, including through the drafting of model codes in cooperation with the American Legal Institute. (U)

o The necessity of document and information classification and the impact of such classification on useful dissemination, as well as the methods and information systems by which threat and vulnerability information can be shared securely while avoiding disclosure or unacceptable risk of disclosure to those who will misuse it. (U)

o The improved protection, including secure dissemination and information handling systems, of industry trade secrets and other confidential business data, law enforcement information and evidentiary material, classified national security information, unclassified material disclosing vulnerabilities of privately owned infrastructures, and apparently innocuous information that, in the aggregate, it is unwise to disclose. (U)

o The implications of sharing information with foreign entities where such sharing is deemed necessary to the security of U.S. infrastructures. (U)

o The potential benefit to security standards of mandating, subsidizing, or otherwise assisting in the provision of insurance for selected critical infrastructure providers and requiring insurance tie-ins for foreign critical infrastructure providers hoping to do business with the United States. (U)

Public Outreach

In order to foster a climate of enhanced public sensitivity to the problem of infrastructure protection, the following actions shall be taken: (U)

- The White House, under the oversight of the National Coordinator, together with the relevant Cabinet agencies shall consider a series of conferences: (1) that will bring together national leaders in the public and private sectors to propose programs to increase the commitment to information security; (2) that convoke academic leaders from engineering, computer science, business and law schools to review the status of education in information security and will identify changes in the curricula and resources necessary to meet the national demand for professionals in this field; (3) on the issues around computer ethics as these relate to the K through 12 and general university populations. (U)

- The National Academy of Sciences and the National Academy of Engineering shall consider a round table bringing together federal, state and local officials with industry and academic leaders to develop national strategies for enhancing infrastructure security. (U)

- The intelligence community and law enforcement shall expand existing programs for briefing infrastructure owners and operators and senior government officials. (U)

- The National Coordinator shall (1) establish a program for infrastructure assurance simulations involving senior public and private officials, the reports of which might be distributed as part of an awareness campaign, and (2) in coordination with the private sector, launch a continuing national awareness campaign, emphasizing improving infrastructure security. (U)

Internal Federal Government Actions

In order for the federal government to improve its infrastructure security, these immediate steps shall be taken: (U)

- The Department of Commerce, the General Services Administration, and the Department of Defense shall assist federal agencies in the implementation of best practices for information assurance within their individual agencies. (U)

o All federal agencies shall make clear designations regarding who may authorize access to their computer systems. (U)

o The Intelligence Community shall elevate and formalize the priority for enhanced collection and analysis of information on the foreign cyber/information warfare threat to our critical infrastructure. (U)

o The Federal Bureau of Investigations, the Secret Service and other appropriate agencies shall (1) vigorously recruit undergraduate and graduate students with the relevant computer-related technical skills for full-time employment as well as for part-time work with regional computer crime squads, and (2) facilitate the hiring and retention of qualified personnel for technical analysis and investigation involving cyber attacks. (U)

o The Department of Transportation, in consultation with the Department of Defense, shall undertake a thorough evaluation of the vulnerability of the Global Positioning System including sponsoring an independent, integrated assessment of risks to civilian users of GPS-based systems, with a view to basing decisions on the ultimate architecture of the modernized NAS on these evaluations. (U)

o The Federal Aviation Administration shall develop and implement a comprehensive National Airspace System Security Program to protect the modernized NAS from information-based and other disruptions and attacks. (U)

o GSA shall identify large procurements (such as the new Federal Telecommunications System, FTS 2000) related to infrastructure assurance, study whether the procurement process reflects the importance of infrastructure protection and propose, if necessary, revisions to the overall procurement process to do so. (U)

o OMB shall direct federal agencies to include assigned infrastructure assurance functions within their Government Performance and Results Act strategic planning and performance measurement framework. (U)

Assisting the Private Sector

In order to assist the private sector in achieving and maintaining infrastructure security: (U)

- The National Coordinator and the National Infrastructure Assurance Council shall propose and develop ways to encourage private industry to perform periodic risk assessments of critical processes, including information and telecommunications systems. (U)

- The Department of Commerce and the Department of Defense shall work together, in coordination with the private sector, to offer their expertise to private owners and operators of critical infrastructure to develop security-related best practice standards. (U)

- The Department of Justice and Department of the Treasury shall sponsor a comprehensive study compiling demographics of computer crime, comparing state approaches to computer crime and developing ways to deterring and responding to computer crime by juveniles. (U)

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

1228

February 19, 1998

ACTION

MEMORANDUM FOR SAMUEL BERGER

THROUGH: RICHARD A. CLARKE

FROM: LEONARD R. HAWLEY LRH

SUBJECT: Memorandum of Telephone Conversation with United Nations Secretary General Kofi Annan on February 19, 1998

Attached at Tab A is the Memorandum of Telephone Conversation between the President and UN Secretary General Annan.

RECOMMENDATION

That you authorize Glyn Davies to transmit the Memorandum of Telephone Conversation at Tab A to State.

Approve _____ Disapprove _____

That the attached Memorandum of Telephone Conversation be filed for the record.

Approve _____ Disapprove _____

Attachments
Tab I Memorandum to State
Tab A Memorandum of Telephone Conversation

DECLASSIFIED
E.O. 12958, As Amended,
White House Guidelines, August 28, 1997
By KGP NARA, Date 09/18/06
2006-0191-F

~~SECRET~~
Reason: 1.5(d)
Declassify On: 02/19/08

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002a. memo	Glyn T. Davies to William J. Burns; re: Telephone Conversation with POTUS and U.N. Secretary General Kofi Annan (1 page)	02/19/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Richard A. Clarke (Transnational Threats (TNT))
OA/Box Number: 1381

FOLDER TITLE:

February Chron - 1998 [5]

2006-0191-F
jp272

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002b. memcon	re: Telephone Conversation with POTUS & U.N. Secretary General Kofi Annan (4 pages)	02/17/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Richard A. Clarke (Transnational Threats (TNT))
OA/Box Number: 1381

FOLDER TITLE:

February Chron - 1998 [5]

2006-0191-F
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NSC/RMO PROFILE

RECORD ID: 9801222
RECEIVED: 19 FEB 98 13

TO: DAVIES

FROM: PETERSON, R

DOC DATE: 19 FEB 98
SOURCE REF: AER271

KEYWORDS: HUMANITARIAN ASSISTANCE FOOD
LEGISLATIVE REFERRAL

PERSONS: ROGERS, L

SUBJECT: USAID TESTIMONY ON US FOOD AID PROGRAMS

ACTION: PREPARE MEMO DAVIES TO PETERSON DUE DATE: 20 FEB 98 STATUS: S

STAFF OFFICER: ~~NONE~~ Ragan URGENT LOGREF:

FILES: WH NSCP: CODES:

D O C U M E N T   D I S T R I B U T I O N

FOR ACTION	FOR CONCURRENCE	FOR INFO
RAGAN	BAKER	CLARKE
	RUDMAN	KYLE
	SIMON	SCHWARTZ

URGENT

COMMENTS: DUE 2 PM FRI FEB 20

DISPATCHED BY ______________ DATE ________ BY HAND W/ATTCH

OPENED BY: NSDRS CLOSED BY: DOC 1 OF 1

UNCLASSIFIED

1222

URGENT

Total Pages: 12

LRM ID: AER271

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Thursday, February 19, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO:	Legislative Liaison Officer - See Distribution below
FROM:	Ronald K. Peterson (for) Assistant Director for Legislative Reference AERooney for
OMB CONTACT:	Annette E. Rooney PHONE: (202)395-7300 FAX: (202)395-5691
SUBJECT:	**US Agency for International Development Testimony on U.S. Food Aid Programs**
DEADLINE:	**2:00 P.M. Friday, February 20, 1998**

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: If you do not respond by the deadline, we will presume that your agency has no comment.

DISTRIBUTION LIST

AGENCIES:
6-AGRICULTURECONG AFFAIRS - Vince Ancell (all testimony) - (202) 720-7095
76-National Economic Council - Sonyia Matthews - (202) 456-6630
83-National Security Council - Glyn T. Davies - (202) 456-9221
114-STATE - Paul Rademacher - (202) 647-4463

EOP:
Theresa M. Stoll
Daniel D. Heath
Mark A. Weatherly

FEB 19 12:29

LRM ID: AER271 **SUBJECT:** US Agency for International Development Testimony on U.S. Food Aid Programs

**RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM**

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:
(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
(2) sending us a memo or letter
Please include the LRM number shown above, and the subject shown below.

TO: Annette E. Rooney Phone: 395-7300 Fax: 395-5691
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-6194

FROM: ______________________ (Date)

______________________ (Name)

______________________ (Agency)

______________________ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _________

_____ Other: ______________________

_____ FAX RETURN of _____ pages, attached to this response sheet

Statement of Len Rogers
Acting Assistant Administrator
Bureau for Humanitarian Response
U.S. Agency for International Development

before the

Committee on Appropriations
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
House of Representatives

February 24, 1998

Mr. Chairman and members of the committee, it is an honor to appear before you today to testify on food aid programs managed by the U.S. Agency for International Development.

Title II and Title III of Public Law 480 continue to be essential elements of the U.S. Government's overall foreign policy. They provide critical resources in support of development programs which assist the most food insecure countries to escape from hunger and poverty. Food aid is also the largest single contribution the U.S. makes to people caught in humanitarian crises. Without American food aid, hunger and malnutrition would be even more widespread in the world; and millions of people, especially children, would suffer.

Food aid is strongly supported by the American people and reflects well the generosity and compassion of our country. Since 1954, when P.L. 480 was first enacted, it has enjoyed strong bipartisan support in Congress. All of us in the Administration who help manage food aid value this support highly and will make every effort through consultation and public outreach to assure it continues.

Food aid is also a program marked by close and collegial collaboration among the Department of Agriculture, the State Department and the U.S. Agency for International Development. This enables us to take an integrated approach to our assistance programs and to ensure an effective division of labor in program management.

This past year has seen real progress in positioning the U.S. Government to respond to goals established at the 1996 World Food Summit. The international community has agreed to reduce the number of chronically malnourished people in the world by half by the year 2015. Continued strong U.S. food aid programs will be essential to achieving this goal. I especially want to praise the hard work and leadership of UnderSecretary Schumacher in the Interagency Working Group which is currently preparing the U.S. plan of action for this effort.

I would also like to give credit to the U.S. Private Voluntary Organizations and to the World Food Program. They play a critical role in nearly all aspects of the U.S. food aid program. They are the ones who actually deliver our food to the poor and hungry, often in extremely difficult and dangerous working conditions. They are the ones that assure our development programs are achieving their objectives. And they are the ones that provide monitoring to assure our assistance is used honestly and effectively.

For Title II of P.L. 480, the President is proposing $837 million for FY 1999, the same level appropriated for this fiscal year. This is a program which has real human impact, reaching over 43 million poor and hungry people in FY 1997.

Perhaps the most dramatic assistance efforts financed under Title II are the emergency food aid programs. Images of starving children always evoke the strong sympathy and compassion of the

American people. Moreover, the objective is relatively straightforward and it is a relatively simple matter to demonstrate that our assistance works. The world has been fortunate so far in that several of the worst crises of the recent past now appear to be moving toward a resolution which will place fewer people at risk of hunger and starvation. Bosnia and Rwanda are good examples, and even in Liberia and Sierra Leone there is hope progress will be made.

In North Korea, our food aid and the contributions of other donors have made a tremendous difference. Where there was strong evidence of severe malnutrition and even deaths resulting from hunger last Spring and Summer, the situation was much improved by direct distribution of international food aid, and the lives of many thousands of children were saved. Now North Korea is entering another period of hunger. Their crop from last year was some 1.5 million tons short of requirements, and they will need additional food aid to avert starvation.

The United States has decided it will contribute 200,000 metric tons, some 33,000 tons more than last year. We will provide this assistance, in accord with our humanitarian precepts, simply because the people of North Korea face starvation without our aid. We have not linked this assistance to U.S. political interests. We do, however, insist that our food aid be monitored effectively. The World Food Program which is overseeing implementation of the international food effort is expanding the number of monitors in country and the number of field offices from which it will work. In addition, we plan to support the consortium of U.S. Private Voluntary Organizations which worked in North Korea last year as they assist in implementation of food-for-work projects.

Obviously, North Korea is different from most recipients of U.S. assistance and we want to ensure that none of our food goes to the North Korean military. We have had no credible report from any source that U.S. food aid has been diverted to the North Korean military. It is also true, in North Korea as elsewhere, that food is a valuable commodity. So it must be monitored to ensure it is not stolen for personal gain or to profit corrupt officials. We have recently had a report of a diversion of a modest amount of European Union vegetable oil in North Korea, apparently for personal gain. This is a matter we take very seriously and one which we are insisting be fully investigated and measures taken to prevent any reocurrence.

While there appear to be adequate resources to manage currently envisioned emergencies this fiscal year, there remain several potentially major requirements for additional food. In Southern Sudan, fighting has intensified and there is a real risk of major population movements in the coming months. In Burundi, there is growing evidence of severe malnutrition amid a continuing conflict. And, perhaps most serious of all, we are concerned the full effects of El Nino are yet to come.

We have seen and are providing assistance to many countries hit by drought or flooding attributed to El Nino. In East Africa, we are helping feed those impoverished farmers who have been displaced by intense flooding in Somalia and Kenya. In Central America, U.S. food will assist those who have been affected by drought. And in Eastern Indonesia, we will soon begin a program to assist with emergency food aid in response to an intense drought.

If we do confront unanticipated emergencies, for example in Souther Africa as a result of El Nino or elsewhere as a result of civil strife, we will need to draw on the Food Security Commodity Reserve. This reserve is the last line of defense against a major emergency. However, it has been significantly reduced over the past several years, from four million tons originally to 2.3

million tons currently. We have no mechanism for replenishing this reserve, so we have been obliged to be very circumspect in using it for emergencies. Recognizing this as a potential future problem for U.S. disaster response capacity, the Interagency Working Group, in follow-up to the World Food Summit, intends to include means to assure adequate reserves as one of the future agenda items for review with Congress.

While feeding starving children captures the imagination of the media, it is also important to recognize the value of Title II non-emergency programs. Only with development will it be possible to lift a significant share of the world's 840 million chronically malnourished people out of poverty. As the development process takes place, it will also be important to continue select programs to reach the poorest of the poor, such as those run by Mother Theresa's Missionaries of Charity.

Forty years of experience has demonstrated these development programs work. Many countries which were once major recipients of U.S. food aid are now able to manage their food security problems on their own. South Korea is an example of a country, even considering its complex problems of the moment, which is in position not only to feed its own people but to provide assistance to the North. In other Asian countries, such as Indonesia and Philippines, it has been possible to phase out development food aid because there has been sufficient progress, with U.S. support necessary only in emergencies.

There appears to be broad consensus on the need now to concentrate on those countries where food insecurity is greatest. For the most part, this means sub-Saharan Africa, although there are several countries in Latin America which also continue to be food insecure and where continued food aid is justified. Within these countries, it is important to concentrate on the poor, often living in rural areas. Accordingly, we are giving priority in our development food aid to programs to enhance agricultural productivity of poor farmers or improve household nutrition where malnutrition among children is a serious problem.

Mozambique provides an excellent example. Mozambique is one of Africa's poorest countries, with an annual per capita income around $100 per year and chronic malnutrition as high as 50% in the poorest counties. As with so many African countries, Mozambique is emerging from a long period of political turmoil and civil strife. Six U.S. Private Voluntary Organizations are managing a major Title II program valued at $23 million in 1997. The goals are to increase rural household income in targeted areas by improving agricultural productivity and marketing, and to decrease infant mortality by providing essential maternal and child health services. Title III food aid and USAID development assistance dollar resources are also used to support this effort. Close collaboration of the Private Voluntary Organizations and USAID's field mission, all working toward common objectives, is the most efficient and effective means of reducing poverty and improving food security.

However, this concentration on poverty has also come with a financial cost, since greater targeting is necessary, the programs with the greatest impact are in remote areas, and transportation costs to and within Africa are high. Hence, the decision by Congress to increase to $28 million the ceiling on Title II resources which can be used for logistical suport for Private Voluntary Organizations and the World Food Program has proven especialy important. In addition, we plan to continue to provide $6 million per year of development assistance funds to strengthen the technical and managerial capacity of the Private Voluntary Organisations.

This approach has already begun to show imporant results. In

Peru, the Title II development program is managed by four Private Voluntary Organizations and is focused on reaching the poorest parts of the country. Title II programs have helped feed over 400,000 children under five years of age. Chronic malnutrition among children under five has been reduced nationwide by 21% and 13% in rural areas.

As with emergency programs, aggressive monitoring to ensure results are being achieved and resources properly used is important in these development programs. In Peru, there have recently been reports that food was being used to induce women to accept family planning services, including tubal ligations. Such a practice would be unethical and contrary to all guidance given to and passed on by the Private Voluntary Organizations managing the programs. Our follow-up investigations have not shown these reports to be true, but they demonstrate the importance of vigilant monitoring and aggressive follow-up if problems do surface.

While direct feeding programs under Title II are important to improving food security, it is clearly also true that appropriate government policies in the agriculture sector are essential to increasing food availability over the long term. The Title III program provides U.S. food in support of reform of government agricultural policies. For FY 1999, the President is proposing $30 million for Title III of P.L. 480, the same level appropriated for FY1998.

Title III is also focused on the most food insecure countries, with two thirds of the resources allocated to Africa. There is also a program in Haiti, which remains by far the poorest, most food-insecure country in the Western Hemisphere. Title III has a solid track record of encouraging governments to adopt reforms with resulting increases in agricultural output. In Bolivia, which "graduated" from the program in 1996, Title III sales proceeds were successfully used in a combined research, extension, credit and marketing effort to expand production of wheat. Title III proceeds also helped finance the country's immunization program for children, significantly expanding coverage.

In Eritrea, Title III supported the government's policy to reduce its involvement in domestic transport and marketing of food. By providing Title III in 1997, there was less need for emergency food aid to fill the serious food gap experienced by this very poor African country. The Eritrean Government is now committed to a national food security strategy with specific performance indicators for: 1) decreasing the total quantity of food aid; 2) increasing total domestic food grain production; 3) increasing rural wage rates; and 4) increasing the quantity of food in the national strategic reserve.

In addition to food aid under Titles II and III, the U.S. Agency for International Development also manages the Farmer to Farmer Program. Not less than 0.4% of funds from each Title of P.L. 480 are pooled to provide voluntary technical assistance from U.S. farmers and small scale agribusinessmen to assist developing country farmers and agribusinessmen. This is truly a grassroots operation drawing U.S. volunteers from 49 states.

In 1991, a special initiative of the Farmer to Farmer Program was authorized as one of the first U.S. assistance activities in the Newly Independent States of the former Soviet Union, and more than 2,700 assignments have been completed since 1992. Worldwide, over 1400 volunteer assignments have been completed since 1991 in more than 70 countries. The budget for Farmer to Farmer is expected to be approximately $10.3 million in FY1999, somewhat above the floor required by legislation.

In closing today, I feel it is important to stress again the importance of the full levels requested by the President. Over the past ten years, there has been a steady decline in overall U.S. food assistance. In 1987, our food aid programs provided 8.2 million tons of food. By 1997, that level had declined to 2.8 million tons -- barely one third the level a decade ago.

To be sure, there are many countries which were once recipients of U.S. food aid but now no longer need our assistance; they now procure what they need commercially. This transition from an aid relationship to a trade relationship has been healthy for all parties and has directly benefitted U.S. farmers. Our annual agricultural exports now regularly exceed $50 to $60 billion, and many of our best customers were former recipients of P.L. 480 food aid.

In addition, there are many U.S. businesses and many U.S. workers who benefit directly from P.L. 480 programs. Agricultural commodities are purchased from many different states, are bagged and otherwise prepared for shipment, and are sent to those in need through U.S. ports. Food aid provided through Titles II and III continues to serve many U.S. interests.

However, there remain many people who are less fortunate. At the World Food Summit, the best estimate was that 840 million people are chronically malnourished. If progress is made, then it will be possible to reach the ambitious goal of reducing that number by half by the year 2015. However, such progress is not assured. USDA continues to project that unless there are major changes in their domestic agricultural production or growth of income, forty three countries will be unable to maintain current food consumption levels by the year 2007. Nearly 10 million more tons of food aid would be needed just to mainatin current consumption, and even these levels have resulted in unacceptably high malnutrition.

The United States continues to be the world's leading food aid donor. Our leadership literally means the difference between life and death for millions of people, including many children. P.L. 480 continues to represent the compassion and concern of the American people. I urge you to continue the tradition of strong Congressional support for these programs.

Thank you Mr. Chairman, I would be pleased to answer any questions you may have.

UNCLASSIFIED
NSC/RMO PROFILE

RECORD ID: 9801276
RECEIVED: 20 FEB 98 16

TO: DAVIES

FROM: PETERSON, R

DOC DATE: 20 FEB 98
SOURCE REF: RJN247

KEYWORDS: EXPORT CONTROLS
LEGISLATIVE REFERRAL
INFRASTRUCTURE

PERSONS:

SUBJECT: COMMERCE DRAFT BILL / REPEAL OF CERTAIN EXPORT CONGROLS ON HIGH PERFORMANCE COMPUTERS

ACTION: PREPARE MEMO DAVIES TO PETERSON   DUE DATE: 26 FEB 98   STATUS: S

STAFF OFFICER: SAMORE   LOGREF:

FILES: WH   NSCP: CODES:

D O C U M E N T   D I S T R I B U T I O N

FOR ACTION	FOR CONCURRENCE	FOR INFO
SAMORE	BAKER	BOUCHARD
	CLARKE	JONES, K
	LEE	
	RUDMAN	

COMMENTS: DUE 5 PM THUR FEB 26

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OPENED BY: NSDRS   CLOSED BY: DOC 1 OF 1

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. memo	Ronald K. Peterson to Legislative Liaison Officer; re: Commerce Draft Bill - Repeal of Certain Export Controls on High Performance Computers (1 page)	02/20/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Richard A. Clarke (Transnational Threats (TNT))
OA/Box Number: 1381

FOLDER TITLE:

February Chron - 1998 [5]

2006-0191-F
jp272

RESTRICTION CODES

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Louisa Koch
Donna M. Rivelli
Margaret E. Evans
Eugene M. Ebner
Gregory G. Henry
Robert G. Damus
Edward M. Rea
Pamula L. Simms
David C. Childs
~~Schwartz Nancy~~
Tony Chavez

LRM ID: RJN247 **SUBJECT:** COMMERCE Draft Bill: Repeal of certain export controls on high performance computers.

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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(2) sending us a memo or letter
Please include the LRM number shown above, and the subject shown below.

TO: Robert J. Nassif Phone: 395-7896 Fax: 395-5691
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-6194

FROM: ______________________ (Date)

______________________ (Name)

______________________ (Agency)

______________________ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _______

_____ Other: ____________________

_____ FAX RETURN of _____ pages, attached to this response sheet

SEC.____ REPEAL OF SUBTITLE B OF TITLE XII OF DIVISION A.

Subtitle B of Title XII of Division A (Sections 1211-1215) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-83, 111 Stat. 1932), concerning export controls on high performance computers, is hereby repealed.

Sectional Analysis

Subtitle B of Title XII of Division A (Sections 1211-1215) of the National Defense Authorization Act for Fiscal Years 1998, concerning the export of high performance computers, infringes on the President's foreign policy authority and burdens industry and the government without enhancing U.S. national security. This repeal amendment reiterates the Administration's objection to these sections prior to passage of the act.

Section 1211

Section 1211 imposes several significant limits on the export of high performance computers which infringe significantly on the President's ability to conduct foreign policy, needlessly burden industry, and divert government resources from tasks that directly enhance U.S. national security. Under Section 1211, the President must require that no export or reexport of a computer with a composite theoretical performance of more than 2,000 millions of theoretical operations per second (MTOPS) to specified countries (Tier 3 countries in the Export Administration Regulations) be made without a license if the export without a license is objected to by either the Secretary of Commerce, Defense, Energy, or State or the Director of the Arms Control and Disarmament Agency. Any objections have to be made within ten days of receiving a notice of a proposed export. In addition, Section 1211 permits the President to change the MTOPS level defining high performance computers only after a 180-day Congressional notification period. Finally, Section 1211 effectively prohibits the President from removing Russia, China, India, Israel, and Pakistan from the list of Tier 3 countries.

Section 1211 infringes significantly on the President's ability to conduct foreign policy because Russia, China, India, Israel, and Pakistan cannot be removed from the list of Tier 3 countries. Locking these countries statutorily into Tier 3 will preclude the President from moving these countries to a different tier (with different licensing requirements) regardless of any changes in their behavior. This will make it harder for the United States to urge these countries to join the multilateral regimes or otherwise improve their behavior, since the United States will not be able to recognize such changes by moving them from Tier 3.

The 10-day "prior review" of proposed exports is likely to burden U.S. industry by requiring the government to imposed additional reporting requirements and adding to the time used for interagency review of proposed transactions. In addition, this prior review will degrade the ability of the U.S. to process the existing load of license applications (and will be particularly burdensome to the intelligence community), and will divert resources from focusing on end-users of real proliferation concern. Given rapidly advancing technology levels and increasing sales to Tier 3 countries, this 10-day "prior review" will burden industry without contributing to our national security.

The Congressional notification period (a change in the MTOPS level defining high performance computers cannot implemented until 180 days after notifying Congress) will also burden industry and divert government resources without enhancing U.S. national security. Normally, decisions in this area where Congressional notification is required have a 30-day waiting period. While it took 90 days to draft the initial 1995 computer regulation, any amendments will take less time. Changing an MTOPS level, for example, is a simple change that would only take a few days to publish once a Presidential decision was made. In an industry where product life can be 18 months to two years, a six-month delay and the uncertainty that comes with it makes no technological sense and would seriously handicap industry's ability to market its products.

The Congressional waiting period for changes in the country list is 120 days. This also infringes on the President's authority to conduct foreign policy.

Section 1213

Section 1213 requires the Department of Commerce to conduct post-shipment verifications of all exports of high performance computers to Tier 3 countries and to report annually to Congress on the results of these post-shipment verifications.

The requirement to conduct post-shipment verifications will become an extraordinary resource burden, cannot be administered and is unnecessary. The provision requires post-shipment checks on all computers over 2,000 MTOPS going to Tier 3 countries, <u>regardless of whether the level which defines high performance computers is increased in the future</u>. Given the rate of growth of computer sales, the size of Tier 3 (50 countries) and the prohibition on removing the biggest countries from it, this will become an unfeasible requirement in a year or two.

Moreover, there are many circumstances where it is not efficient to conduct a post-shipment verification. The most obvious is when the exporter performs regular service and maintenance on a computer and is in a position to know on a regular basis whether the computer is properly located and used. The government should have discretion to decide when verifications are necessary.

Sections 1212, 1214, and 1215 are reporting provisions largely dependent on Sections 1211 and 1213. As such, they should also be repealed.

February 17, 1998
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~~SECRE~~T
NSC/RMO PROFILE

RECORD ID: 9801270
RECEIVED: 20 FEB 98 14

TO: DAVIES

FROM: BURNS, W

DOC DATE: 19 FEB 98
SOURCE REF: 9802563

KEYWORDS: STOCKPILES
IRAQ
MILITARY ASSISTANCE
ISRAEL
LEGAL ISSUES

PERSONS:

SUBJECT: TRANSFER OF MUNITIONS TO GOVT OF ISRAEL IN ACCORDANCE W/ USG - GOI STOCKPILING

ACTION: PREPARE MEMO FOR BERGER

DUE DATE: 26 FEB 98 STATUS: S

STAFF OFFICER: BOUCHARD

LOGREF:

FILES: PA

NSCP:

CODES:

D O C U M E N T   D I S T R I B U T I O N

FOR ACTION	FOR CONCURRENCE	FOR INFO
BOUCHARD	BAKER	CLARKE
	BELL	SIMON
	RIEDEL	TODD

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS
Initials: JGP Date: 09/18/06
2006-0191-F

COMMENTS:

DISPATCHED BY

DATE

BY HAND W/ATTCH

OPENED BY: NSDRS

CLOSED BY:

DOC 1 OF 1

~~SECRET~~

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004a. memo	William Burns to Glyn T. Davies; re: Transfer of Munitions (3 pages)	02/19/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Richard A. Clarke (Transnational Threats (TNT))
OA/Box Number: 1381

FOLDER TITLE:

February Chron - 1998 [5]

2006-0191-F
jp272

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004b. memo	Glyn T. Davies to William Burns & Colonel James Mattis; re: Presidential Determination (1 page)	circa, 02/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Richard A. Clarke (Transnational Threats (TNT))
OA/Box Number: 1381

FOLDER TITLE:

February Chron - 1998 [5]

2006-0191-F
jp272

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NSC/RMO PROFILE

RECORD ID: 9801268
RECEIVED: 20 FEB 98 14

TO: DAVIES

FROM: BURNS, W

DOC DATE: 19 FEB 98
SOURCE REF: 9802580

KEYWORDS: DRAWDOWN AUTHORITY JORDAN
LEGAL ISSUES PD

PERSONS:

SUBJECT: MILITARY DRAWDOWN FOR JORDAN

ACTION: PREPARE MEMO FOR DAVIES DUE DATE: 26 FEB 98 STATUS: S

STAFF OFFICER: SIMON LOGREF:

FILES: PA NSCP: CODES:

D O C U M E N T   D I S T R I B U T I O N

FOR ACTION	FOR CONCURRENCE	FOR INFO
SIMON	BAKER	CLARKE
	COUNTRYMAN	RIEDEL
	OMB	

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS
Initials: JGP Date: 09/15/06
2006-0191-F

COMMENTS:

DISPATCHED BY DATE BY HAND W/ATTCH

OPENED BY: NSDRS CLOSED BY: DOC 1 OF 1

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. memo	William J. Burns to Glyn T. Davies; re: Military Drawdown for Jordan (1 page)	02/19/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Richard A. Clarke (Transnational Threats (TNT))
OA/Box Number: 1381

FOLDER TITLE:

February Chron - 1998 [5]

2006-0191-F
jp272

RESTRICTION CODES

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Presidential Determination
No.________________________

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE

SUBJECT: Military Drawdown for Jordan

Pursuant to the authority vested in me by the laws and Constitution of the United States, including Title III (Military Assistance) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105-118) ("Title III"), I hereby direct the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of $25,000,000 under the authority of the fifth proviso under the heading "Foreign Military Financing Program" in Title III for Jordan for the purposes of part II of the Foreign Assistance Act of 1961.

The Secretary of State is authorized and directed to report this determination to the Congress and to publish it in the Federal Register.