On January 12, 1990, I directed a review of our COCOM policy towards Eastern Europe and the Soviet Union. With completion of this review, and having met with the National Security Council on April 30, 1990, I hereby direct that the United States introduce in COCOM a comprehensive proposal for modernizing the multilateral export control system as follows:

A. Long-Term Measures

Core List: The United States should work with its allies in COCOM to develop a core list of strategic goods and technologies that need to be controlled to prevent any significant improvement in Soviet military power. Military priorities identified by the Joint Chiefs of Staff in the strategic threat assessment called for in NSR-22 should serve as a guide in identifying those technologies and goods that are militarily critical to maintaining our technological lead over the Soviet Union. The goal is to have a new core list in place by the end of 1990.

B. Interim Measures

1. Elimination of Certain Industrial List Items: The PCC on Technology Transfer has identified a number of items
on COCOM's Industrial List that are not strategically critical to United States interests. The United States should propose in COCOM complete elimination or, as appropriate, significant reduction of the scope of controls on items identified in the interagency process.

2. **China Green Line:** The United States should also propose in COCOM the elimination or significant reduction of controls on those goods and technologies destined for Eastern Europe and the Soviet Union which currently can be licensed at national discretion for the People's Republic of China. With respect to the following priority sectors, the United States shall propose in COCOM significant decontrol as follows:

   a. **Computers:** Decontrol for all computers for all destinations with a Processing Data Rate (PDR) of 275 megabits per second (MPS) and, as appropriate, favorable licensing treatment for computers for civilian end-users above that level.

   b. **Telecommunications Equipment:** Relaxation of certain controls to all destinations for equipment identified in the interagency review (e.g., some cellular communications and satellite ground station equipment). Access to modern fiber optics equipment and certain microwave telecommunications systems would be limited to Eastern Europe only. Further, such access would be dependent on the adoption by those governments of adequate safeguard regimes against diversion and a severance in links with Soviet intelligence services.

   c. **Machine Tools:** Acceptance with a few modifications, which were identified in the interagency review, of an allied proposal calling for significant decontrol of machine tools and their numerical controllers. Technology for building such machines will remain protected.

3. **Differentiation:** The United States will seek agreement in COCOM to provide more favorable treatment to those Eastern European countries that: (a) adopt safeguard regimes against diversion of controlled goods and technologies, and (b) sever links with Soviet intelligence services.

These positions establish the negotiating framework for COCOM's High Level Meeting in June 1990. Any significant departure from these positions, as
elaborated in interagency discussion before issuance of this directive, should be referred to the National Security Council for approval. (C)