

THE WHITE HOUSE

WASHINGTON

January 22, 2008

NATIONAL SECURITY PRESIDENTIAL DIRECTIVE/NSPD-56

MEMORANDUM FOR THE VICE PRESIDENT  
SECRETARY OF STATE  
SECRETARY OF DEFENSE  
SECRETARY OF COMMERCE  
SECRETARY OF HOMELAND SECURITY  
CHIEF OF STAFF TO THE PRESIDENT  
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
DIRECTOR OF NATIONAL INTELLIGENCE  
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY  
AFFAIRS  
CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Defense Trade Reform (U)

The National Security Strategy of the United States (September 2002) makes clear that defending the United States, the American people, and our interests at home and abroad requires strong alliances and international partnerships. Friends and allies that are better able to project power in a manner consistent with our mutual interests to deal with 21<sup>st</sup> Century threats will not only be better global partners for the United States but may also help make America safer than it would be if we acted alone. (U)

In responding to the threats of terrorism, the proliferation of weapons of mass destruction, and instability in important regions of the world, the United States must make effective use of its diplomatic, economic, intelligence and other capabilities. Improving the coalition warfare capabilities of our security partners, promoting their military transformation, and facilitating appropriate military and technological capabilities of friends and allies are important national interests of the United States, to be advanced while strengthening international nonproliferation and export control regimes and the United States system of controls over its defense exports. (U)

To advance these interests effectively, the United States should, when appropriate, share more advanced defense technologies, particularly those that would improve the effectiveness of U.S. and allied coalition operations, with countries that have demonstrated, including through their contributions in Afghanistan, Iraq, and the Balkans, that they support U.S. strategic goals and are likely to continue to support them. This directive shall be implemented in a manner that ensures a level of safeguards sufficient to protect U.S. technology from misuse or diversion to unauthorized end-users/end-uses, takes into account law enforcement interests, and is consistent with existing Presidential guidance on conventional arms transfer policy. ~~(C)~~

To implement the policy needs set forth above, I direct executive branch agencies to revise export controls on munitions items as follows:

**(1) Improving the Effectiveness of U.S. Licensing.** Within 60 days after issuance of this directive, the Secretary of State shall implement guidance for the timely adjudication of defense export licenses. This guidance shall provide for the review, analysis, and decision on export authorization requests for International Traffic in Arms Regulations (ITAR)-controlled articles, services, and technologies to be completed in 60 days, with certain national security exceptions that will be specifically outlined in the guidance, and that may include such reasons as the need to perform an end-use verification or the need to provide notification of the proposed export to the Congress consistent with applicable law. The Secretary of State shall make the guidance developed pursuant to this paragraph publicly available. ~~(C)~~

**(2) Additional Resources.** Within 60 days after issuance of this directive, the Secretary of State shall submit to the Director of the Office of Management and Budget a plan outlining the resources required to carry out the directives contained herein, without any increase in the total of otherwise budgeted funds. Such a plan shall include financial and personnel resources that are necessary for the Directorate of Defense Trade Controls to carry out its range of responsibilities, including the effective and efficient review and adjudication of defense export authorizations. This plan shall address the authority for and implementation of additional self-financing mechanisms so that up to 75 percent of the Directorate's mission will eventually be provided by these new self-financing sources and will provide a timeline for adoption of new practices. (U)

**(3) Updating the National Disclosure Policy (NDP) and Improving Review of Technology Transfer Initiatives and Technology Release Policies.** Within 60 days after issuance of this directive, the Secretary of Defense shall report to the National Security Council on the measures the Department of Defense has taken to standardize the implementation of foreign disclosure and technology transfer policies across the military departments. The goal of these measures is to enhance the transparency and predictability of technology transfer policies. ~~(C)~~

**(4) Intelligence Support to the Licensing Process.** An effective export control system is a key part of our national counterproliferation strategy to prevent controlled items from falling into the hands of U.S. adversaries. The continued provision to licensing agencies of timely, accurate, and insightful intelligence information and analyses of end-users and technologies of concern in a usable format is essential in assisting these agencies to fulfill their legal obligations. Therefore, within 30 days after issuance of this directive, the Assistant to the President for National Security Affairs, working with the appropriate heads of executive branch agencies, shall develop a plan for continued intelligence support to the export licensing process to ensure an equivalent level of intelligence support is provided. This plan should complement those steps that the licensing agencies are taking to receive and use intelligence information related to licensing issues. The Assistant to the President for National Security Affairs shall submit the plan to me for approval within 60 days after issuance of this directive. In the interim, the Director of National Intelligence shall work closely with the heads of all relevant executive branch agencies to help ensure that the current level of intelligence support is maintained. ~~(C)~~

**(5) Third Country and Dual Nationals of Allied Partners.** The Secretary of State shall implement a policy to grant access to third country and dual nationals from other NATO countries, European Union Member States, Japan, Australia, and New Zealand to certain licensed defense exports without the need for a separate export authorization. (U)

**(6) Commodity Jurisdictions.** Within 30 day after issuance of this directive, the Assistant to the President for National Security Affairs, working with the Secretaries of State, Defense, and Commerce, shall issue revised guidance regarding interagency coordination on the commodity jurisdiction process, with the goal of ensuring that the process is efficient and

transparent, and provides a timely mechanism for completion of commodity jurisdiction requests, or the resolution of interagency disputes regarding commodity jurisdiction requests within 60 days. (U)

**(7) Interagency Dispute Mechanism.** By March 1, 2008, the Secretary of State shall establish an interagency committee, chaired by the Deputy Assistant Secretary for Defense Trade Controls, unless otherwise directed by the Secretary of State, with membership at the Deputy Assistant Secretary level, to serve as a forum to review and facilitate timely consideration and resolution of interagency disputes on defense export authorizations and commodity jurisdiction decisions. The Secretaries of State and Defense (or their designees) shall be permanent members of this committee. The Secretary of Commerce (or the Secretary's designee) shall participate whenever commodity jurisdiction issues are addressed. The Secretary of Homeland Security (or the Secretary's designee) shall participate whenever compliance, enforcement, and specific commodity jurisdiction issues relating to technologies of homeland security concerns, as well as other issues as determined by the Secretary of State, are addressed. Heads of other executive branch agencies shall be invited to participate by the Secretary of State or as directed by the President. (U)

**(8) Congressional Notifications.** Within 120 days after issuance of this directive, the Secretary of State shall report to the National Security Council on Department of State discussions with the Congress to improve the current congressional notification processes for notifying munitions licenses as required by the Arms Export Control Act (AECA), with the goal of making those processes timely, predictable, and, to the maximum extent practicable, transparent. (U)

**(9) Electronic Licensing.** By June 30, 2009, the Secretary of State shall complete the upgrade of the Department of State's electronic licensing system and ensure that all of its reviewers (both within the Department of State and in other agencies) can electronically receive, distribute, and respond to the full range of documentation and material that is required or requested in support of the licensing process, including license requests, supporting documentation, provisos, and commodity jurisdiction requests; and ensure that U.S. industry may interact, as appropriate, with the Department of State on a fully electronic basis. Within 180 days after the issuance of this directive, the Secretary of State, with the assistance of the Secretaries of Defense, Commerce, and Homeland Security,

shall submit for consideration by the National Security Council a plan to achieve electronic interoperability among their departments and with other relevant executive branch agencies, in furtherance of an efficient and timely license process. (U)

**(10) Enhanced Support for Export Enforcement Investigations.**

Within 90 days after issuance of this directive, the Attorney General, with support from the Secretaries of State, Commerce, Defense, Homeland Security, and the Director of National Intelligence shall establish an interagency working group to ensure full support for criminal investigations and prosecutions under the AECA and the Export Administration Act. This strategic investigations working group will help ensure that criminal investigations are conducted on the technologies of greatest concern to the United States, especially with respect to the effectiveness of its armed forces and intelligence executive branch agencies, and benefit from the best intelligence and regulatory information available. ~~(C)~~

This directive shall be implemented consistent with applicable law and subject to the availability of appropriations. Nothing in this directive shall be construed to impair or otherwise affect (a) authority vested by law in an agency or head thereof, or (b) the authority of the Director of the Office of Management and Budget, in relation to budget, administrative, and legislative proposals. (U)

A large, stylized handwritten signature in black ink, appearing to read "George W. Bush". The signature is written in a cursive, flowing style with a prominent loop at the end.