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CONTROLLING TRANSFER OF TECHNOLOGY

Background: The purpose of controlling the export of militarily relevant technology is to deny Warsaw Pact countries access to technology that would contribute to the effectiveness of their military establishments. It is increasingly difficult to identify and control commercial transactions that could constitute a threat to US national security because development of sophisticated weapons today depends on many advanced supporting technologies that have dual use -- civilian as well as military. The need to establish stronger, more effective controls on the transfer of technology from the West to the East is underscored by evidence that the USSR has relied on Western high-technology exports both in its military buildup and in the strengthening of the industrial base that supports the Soviet war-making capability.

US regulations require that a license be issued before any technology can be transferred to a Warsaw Pact country. This licensing requirement permits a review of the potential military utility of the technology, to ensure that transfers of militarily relevant technologies do not take place under the guise of civil-use projects.

The Soviet Union places high priority on acquiring modern technologies to increase its military power. It is determined to obtain Western technology by whatever means it can -- if not legally, then illegally through evasion of export controls. The US acting alone could not prevent such diversions of controlled equipment and technologies, as we are no longer their sole producer. The cooperation of our partners in the multilateral Coordinating Committee for Export Controls (COCOM) is therefore of greater importance than ever. As evidence of Soviet diversion efforts mounts, the COCOM nations' determination to improve enforcement capabilities has grown, and additional resources are being applied to this task. Over the last two years, meetings as high as the Under Secretary level have played an important role in reaffirming COCOM goals and in reinvigorating both the organization and cooperation among its members.

Organization of COCOM: The West established COCOM in 1949. Its members include Japan and all NATO countries except Iceland and Spain. It has no formal relationship to NATO and is not based on any treaty or executive agreement. Although members have no legal obligation to participate in COCOM or to abide by commitments made there, in practice there have been few instances when a member country has deviated from COCOM's unanimous decisions.

A permanent COCOM secretariat is located in Paris. Its staff recently has been increased to about 20, with a core of highly experienced professionals. All 15 COCOM countries have permanent delegations to COCOM based in

Paris. The permanent US delegate to COCOM and his deputy are State Department officers, who are joined by teams of US-based technical experts and interagency policy-level personnel during negotiations to determine export control definitions.

COCOM's major functions: COCOM first establishes and updates the precise technical definitions of militarily relevant products and technologies that should be controlled. These are grouped into three lists: military, atomic energy, and "dual use" (civil and military relevance).

Second, COCOM reviews individual members' requests to permit shipment of specific embargoed items to proscribed countries when the risk of diversion to military use is sufficiently small.

Finally, the COCOM member countries coordinate their export control administration and enforcement activities.

Improving COCOM's effectiveness: COCOM faces an important challenge posed by the present Soviet and Warsaw Pact efforts to obtain militarily sensitive equipment and technologies. President Reagan raised the problem of Western technology transfer to the Soviet Union at the Ottawa summit in July 1981. These discussions led to a high-level meeting in COCOM in Paris in January 1982, the first such political-level meeting since the late 1950s. A second high-level meeting took place in April 1983. The United States is cooperating with other COCOM members in a number of measures for improvement, including:

- Reviewing and strengthening existing embargo lists;
- Harmonizing licensing practices of their governments; and
- Strengthening enforcement.

Problems with non-COCOM countries: One of the most serious problems COCOM faces is control of the export or reexport of embargoed commodities from non-COCOM countries to the communist states. The United States deals with this problem in part by requiring licenses for reexports of US-origin embargoed products from third countries -- a so-called extraterritorial action that has been the subject of allied criticism. As some of our allies cite legal and administrative reasons for not having similar reexport requirements, we have urged them to institute other measures to deal effectively with the problem. The United States also maintains a dialogue with certain non-COCOM industrialized countries on export control and diversions.