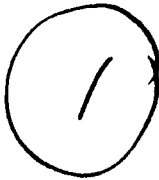




OFFICE OF THE UNDER SECRETARY OF DEFENSE
WASHINGTON, DC 20301



ACQUISITION

MAY 22 1989

(I&IP)

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (RESEARCH,
DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,
ENGINEERING AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)
DIRECTOR, DEFENSE ADVANCED RESEARCH PROJECTS
AGENCY
DIRECTOR, DEFENSE INTELLIGENCE AGENCY
DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY
DIRECTOR, DEFENSE TECHNICAL INFORMATION CENTER
DIRECTOR, DEFENSE TECHNOLOGY SECURITY
ADMINISTRATION
DEPUTY UNDER SECRETARY (RESEARCH AND ADVANCED
TECHNOLOGY)

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AD-A212 019

SUBJECT: General Accounting Office (GAO) Study on US Government Programs and Activities Tracking Foreign Dual-Use Technologies"

Reference my memorandum dated May 16, 1989, same subject as above. The attached IG memorandum forwards an interim GAO report on Federal agencies' efforts to track developments in the area of foreign technologies. This report is distributed for information purposes, and a more complete report is expected when all of the review work is completed.

DISTRIBUTION STATEMENT A
Approved for public release;
Distribution Unlimited

Robert C. McCormack
ROBERT C. McCORMACK
Deputy Under Secretary
(Industrial and International
Programs)

Attachment



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

AUG - 4 1989

Analysis
and Followup

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION)

SUBJECT: General Accounting Office (GAO) Final Report
GAO/NSIAD-89-192, "FOREIGN TECHNOLOGIES:
Federal Agencies Efforts to Track Developments,"
Dated June 30, 1989 (GAO Code 483527), OSD
Case 8072--INFORMATION ONLY

The Department of Defense (DoD) recently received the subject report from the GAO. A copy is enclosed. (An advance copy was previously furnished to your action officer for this case, John Ello (x44777).) The GAO has advised that this is only an interim report--the underlying review continues and another report will be issued when the work is completed.

* * * * *

At the request of the Chairman, Subcommittee on National Security Economics, Joint Economic Committee, the GAO has been preparing a compendium of U.S. Government programs and activities that collect information on, monitor, or assess foreign dual-use (commercial-military) technologies. This report provides an interim listing of agencies that track foreign technologies, as well as the preliminary GAO observations on the coordination of those tracking activities.

The GAO noted that the Federal Agencies involved in collecting information on foreign technologies include the Departments of Commerce, Defense, Energy, and State, the National Aeronautics and Space Administration, and the National Science Foundation. The GAO found more than 25 offices and divisions in these agencies with programs and activities that track foreign dual-use technologies. (Appendix I in the report provides a listing of those 25 offices and divisions.) The GAO noted that the information collected is used (1) to assess U.S. competitiveness, (2) to formulate domestic and trade policy, and (3) to evaluate national security issues.

The GAO did not find any central source identifying all Federal activities that track foreign technologies. The GAO found that the only program charged with coordinating Federal tracking activities was the Japanese Technical Literature Program within the Department of Commerce, and that program was limited to Japanese technical literature. The GAO reported that publications containing information on foreign technology are available through a cooperative interagency organization called CENDI. Members of CENDI include the Departments of Commerce, Defense, Energy, and Health and Human Services, and the National Aeronautics and Space

AUG - 4 1988

Administration. The GAO noted that, although CENDI does not formally coordinate Federal tracking activities, it does develop ways to improve the productivity of Federal research and development through efficient and responsive information programs and improved management systems.

The GAO generally concluded that there is apparently a lack of formal coordination of activities among the various agencies that track foreign dual-use technologies.

This interim report is essentially informational and does not include recommendations. A more complete report is expected when all of the review work is completed. Accordingly, the interim report is provided for information only--no DoD action is required.

Questions may be directed to the Office of the Inspector General, Attention: Gregory Conway (x30214). If he is not available, please contact Robert Nicholas (x30208).

Lorraine F. Carpenter
Lorraine F. Carpenter
Program Director for GAO Reports

Enclosures

- Info Copies:
- SEC ARMY
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 - USD(P)
 - ASD(LA)
 - ASD(PA)
 - COMP, DoD
 - AGC(F&IG)
 - DIR, JS
 - DIR, DARPA
 - DIR, DIA
 - DIR, DSAA
 - DIR, DTSA
 - USCINCLANT
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GAO

General Accounting Office
Report to the Chairman, Subcommittee on
National Security, Economics, Joint
Economic Committee, U.S. Congress

FOREIGN TECHNOLOGIES

Federal Agencies Efforts to Track Developments



National Security and
International Affairs Division

B-201919

June 30, 1989

The Honorable Jeff Bingaman
Chairman, Subcommittee on National
Security Economics
Joint Economic Committee
United States Congress

Dear Mr. Chairman:

On April 10, 1989, you requested that we prepare a compendium of U.S. Government programs and activities that collect information on, monitor, or assess (track) foreign dual-use (commercial-military) technologies. As agreed with your office, we are providing this interim report listing the agencies that we have identified that track foreign technologies and our preliminary observations on the coordination of these tracking activities.

Results in Brief

We found that numerous federal agencies have programs and activities that track foreign technologies for a variety of reasons. However, based on our work to date, we could find no central source identifying all federal programs and activities that track foreign technologies. Several agency officials advised us that formal coordination among the federal agencies that track specific technologies is limited.

Many Federal Agencies Track Foreign Technologies

We identified more than 25 offices and divisions in agencies with programs and activities that track foreign dual-use technologies. Appendix I contains the list we have compiled to date, exclusive of certain intelligence activities.

A variety of federal agencies are involved in collecting information on foreign technologies, including the Departments of Commerce, Defense, and Energy. The agencies use this information to assess U.S. competitiveness, formulate domestic and trade policy, and evaluate national security issues. For example, the Department of Commerce's International Trade Administration tracks foreign technologies for use in trade and domestic policy formulation, trade promotion, and gauging U.S. competitiveness. Commerce's Bureau of Export Administration tracks foreign technology to comply with the provisions of the Export Administration Act regarding assessing the foreign availability of commercial products subject to U.S. export controls. The Bureau as well as the

Departments of Defense and Energy track foreign technology to determine which technologies should be subject to export controls.

Formal Coordination Is Limited

From our interviews and a review of several data bases, we could find no central source that identifies all federal activities that track foreign technologies. To develop the list in appendix I, we initially contacted agency officials known to us from our prior audit work who in turn identified other agencies that also track foreign technologies. To our knowledge, this list is not currently available elsewhere.

Based on our work to date, there is apparently a lack of formal coordination of activities among the various agencies that track foreign dual-use technologies. We found certain individuals who were aware of other agencies that track foreign technologies but their knowledge was general. The only program charged with coordinating federal tracking activities was the Japanese Technical Literature Program within the Department of Commerce. This program's objective is to coordinate federal agency activities in collecting, translating, and disseminating Japanese technical information. Under this program, numerous civilian and military agencies, as well as private organizations, attend quarterly interagency meetings to disseminate information. This program's scope is limited to Japan and to date we have not found any similar programs to coordinate information for technologies tracked in other countries.

Publications containing information on foreign technology are available through a cooperative interagency organization called CENDI, which consists of the following agencies.

- Department of Commerce's National Technical Information Service.
- Department of Defense's Defense Technology Information Center.
- Department of Energy's Office of Scientific and Technical Information.
- National Aeronautics and Space Administration's Scientific and Technical Information Division.
- Department of Health and Human Services' National Library of Medicine.

Although CENDI does not formally coordinate federal tracking activities, it develops ways to improve the productivity of federal research and development through efficient and responsive information programs and improved management systems. CENDI's programs are conducted by working groups on cataloging standards, indexing, and international scientific and technical information activities.

Objectives, Scope, and Methodology

The Chairman of the Subcommittee on National Security Economics, Joint Economic Committee, asked us to develop a compendium of federal programs and activities that track foreign dual-use technologies. He asked that for each such activity we obtain information on the program objective, technologies and countries tracked, budget and staff resources, and agency products produced from the information collected, access to these products, and their potential application. As subsequently agreed with the Chairman's office, we are providing this interim report listing the federal agencies that we have identified which track foreign technologies and our preliminary observations on coordination of these tracking activities. We also agreed to limit the list to agencies that collect or generate information about foreign technologies as opposed to those that merely use information collected or generated by others.

To identify federal programs and activities that track foreign dual-use technologies, we contacted agency officials known to us from our audit work in various agencies who in turn identified other agencies that also track foreign technologies. We contacted most of the identified agencies. We asked each agency to confirm that it was involved in tracking foreign technologies and requested that it complete a data collection form. We discussed with officials of several tracking agencies the extent to which they coordinated their efforts with other agencies. We also discussed coordination with an official of the Office of Management and Budget and a contractor working on technology tracking under contract to the Defense Advanced Research Projects Agency. We conducted our work in May and June 1989 in accordance with generally accepted government auditing standards.

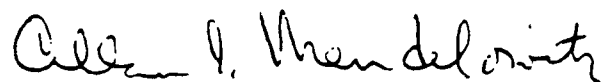
As agreed, we did not obtain agency comments on this report. We have, however, discussed the report with selected agencies and included their comments as appropriate.

Unless you announce its contents earlier, we plan no further dissemination of the report until 30 days after its issue date. At that time we will provide copies to the Departments of Commerce, Defense, and Energy; the Director, Office of Management and Budget; and other interested parties upon request.

GAO staff members who made major contributions to this report were Steven Sternlieb, National Security and International Affairs Division,

and Thomas McGrane, Boston Regional Office. If you have any questions, please contact me on (202) 275-4812.

Sincerely,

A handwritten signature in cursive script that reads "Allan I. Mendelowitz".

Allan I. Mendelowitz, Director
Trade, Energy, and Finance Issues

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Agencies Identified as Tracking Dual-Use Foreign Technology

Department of Commerce

Bureau of Export Administration
Office of Foreign Availability
Office of Industrial Resources Administration
International Trade Administration
Office of Import Administration
Office of International Economic Policy
Trade and Development
Technology Administration
National Technical Information Services
Office of International Affairs
Japanese Technical Literature Program

Department of Defense

Air Force Foreign Technology Division
Air Force Office of Scientific Research - Far East
Army Foreign Science and Technology Center
Army Research Office
Defense Advanced Research Projects Agency
Defense Intelligence Agency
Defense Technical Information Center
European Office of Aerospace R&D - Air Force
Naval Intelligence Service Center
Office of Naval Research
Office of the Undersecretary for Acquisition

Department of Energy

Argonne National Laboratory
Brookhaven National Laboratory
Lawrence Livermore National Laboratory
Los Alamos National Laboratory

National Science Foundation

Division of International Programs
Division of Science Resources Studies

National Aeronautics and Space Administration

Scientific and Technical Information Division

Department of State

Bureau of Ocean, Environment, and Scientific Affairs
