

Originally Processed With FOIA(s):
2003-0261-F

FOIA Number:
2003-0261-F

FOIA MARKER

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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: National Security Council
Series: H-Files
Subseries: NSC/DC Meetings Files

OA/ID Number: 90017
Folder ID Number: 90017-008

Folder Title:

NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel
Technology Transfers

Stack:	Row:	Section:	Shelf:	Position:
V	15	2	5	3

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. List	National Security Council Distribution List (1 pp.)	10/16/90	(b)(3)	
01b. List	National Security Council Distribution List (1 pp.)	10/16/90	(b)(3)	
01c. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	
01d. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	
01e. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	
01f. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	
01g. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	
01h. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/16/1990	(b)(3)	
02a. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	

Page 1 of 5

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Record Group: Bush Presidential Records

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WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Pinksheet Number: DJC1140

OA/ID Number: 90017-008

Date Closed: 4/3/2009

FOIA/Sys Case #: 2003-0261-F

Re-review Case #:

P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
02b. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	
02c. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	
02d. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	
02e. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	
02f. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/17/1990	(b)(3)	
02g. Paper	Re: Israeli Machine Tools (5 pp.)	n.d.	(b)(1)	C
02h. Table	Machining Centers (1 pp.)	n.d.	(b)(1)	
02i. Memo	From John M. Poindexter to Distribution List, Re: Presidential Action on the Section 232 Machine Tools Case (1 pp.)	5/21/86	(b)(1)	
02j. National Security Decision Directive	National Security Decision Directive Number 226, Re: Machine Tools and National Security (4 pp.)	5/21/86	(b)(1)	C

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
02k. Letter	From the U.S. Secretary of Commerce and the U.S. Trade Representative to Minister of Economics Herr Martin Bangemann, Re: Machine Tool Initiative (2 pp.)	n.d.	(b)(1)	C
02L. Letter	From the U.S. Secretary of Commerce and the U.S. Trade Representative to Ambassador Kyung-Won Kim, Re: Machine Tool Initiative (1 pp.)	n.d.	(b)(1)	C
02m. Outline	Annex 3 of the U.S.-Israel FTAA (Rules of Origin) (9 pp.)	n.d.	(b)(1)	
02n. Cable	From Secretary of State, Washington, D.C., Re: Demarche on Machine Tools [221704Z Sep 90] (2 pp.)	9/22/90	(b)(1)	C
03. Minutes	Re: Minutes of DC Meeting on Israeli Machine Tools (3 pp.)	10/19/1990	(b)(1)	C
04. Memo	Eric Melby through Timothy E. Deal to Robert Gates Re: Israeli Machine Tool Exports to the U.S.: Request for Deputies Meeting (2 pp.)	10/09/1990	(b)(1)	
05. Summary	Re: Summary of Conclusions of DC Meeting on Israeli Machine Tools (2 pp.)	10/19/1990	(b)(1)	C
06a. List	Deputy Committee Meeting Friday, October 19, 1990 Re: Participants List (1 pp.)	10/19/1990	(b)(3)	

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06b. Memo	Eric Melby through Timothy E. Deal to Robert Gates Re: NSC Deputies Committee Meeting On Israeli Machine Tools, 11 a.m., October 19, Situation Room (4 pp.)	10/18/1990	(b)(1)	C
06c. Talking Points	Re: Points to be made for NSC Deputies Committee Meeting on Israeli Machine Tools (2 pp.)	n.d.	(b)(1)	C
06d. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/17/1990	(b)(3)	
06e. Paper	Re: Israeli Machine Tools (5 pp.)	n.d.	(b)(1)	C
06f. Table	Machining Centers (1 pp.)	n.d.	(b)(1)	
06g. Memo	From John M. Poindexter to Distribution List, Re: Presidential Action on the Section 232 Machine Tools Case (1 pp.)	5/21/86	(b)(1)	
06h. National Security Decision Directive	National Security Decision Directive Number 226, Re: Machine Tools and National Security (4 pp.)	5/21/86	(b)(1)	C
06i. Letter	From the U.S. Secretary of Commerce and the U.S. Trade Representative to Minister of Economics Herr Martin Bangemann, Re: Machine Tool Initiative (2 pp.)	n.d.	(b)(1)	C

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(George Bush Library)

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06j. Letter	From the U.S. Secretary of Commerce and the U.S. Trade Representative to Ambassador Kyung-Won Kim, Re: Machine Tool Initiative (1 pp.)	n.d.	(b)(1)	C
06k. Outline	Annex 3 of the U.S.-Israel FTAA (Rules of Origin) (9 pp.)	n.d.	(b)(1)	
06L. Cable	From Secretary of State, Washington, D.C., Re: Demarche on Machine Tools [221704Z Sep 90] (2 pp.)	9/22/90	(b)(1)	C
07. Memo	Eric Melby through Timothy E. Deal Robert Gates Re: Israeli Machine Tools Exports to the U.S.: Request for Deputies Meeting (2 pp.)	10/09/1990	(b)(1)	
08a. List	Deputy Committee Meeting Friday, October 19, 1990 Re: Participants List (1 pp.)	10/19/1990	(b)(3)	
08b. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/16/1990	(b)(3)	

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Date Closed: 4/3/2009

FOIA/Sys Case #: 2003-0261-F

Re-review Case #:

P-2/P-5 Review Case #:

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NSC/S PROFILE

RECORD ID: 9021163
RECEIVED: 16 OCT 90 10

TO: AGENCIES

FROM: SITTMANN

DOC DATE: 16 OCT 90
SOURCE REF:

KEYWORDS: ISRAEL
DC

AGENDA

PERSONS:

SUBJECT: NOTIFICATION OF DC MTG ON ISRAELI MACHINE TOOLS 19 OCT

ACTION: SITTMANN SGD MEMO TO AGENCIES DUE DATE: 18 OCT 90 STATUS: C
STAFF OFFICER: MELBY LOGREF: 9021133 9021172
FILES: IFM O NSCP: DC214 CODES:

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FOR CONCURRENCE

FOR INFO
MELBY
NSC CHRON

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White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By DJ2 NARA, Date 04/03/2009

COMMENTS: _____

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ACTION DATA SUMMARY REPORT

RECORD ID: 9021163

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 SITTMANN
002
003 SITTMANN
004

Z 90101616 FOR SIGNATURE
X 90101617 SITTMANN SGD MEMO TO AGENCIES
Z 90101713 ADD-ON / FOR SIGNATURE
X 90101715 SITTMANN SGD MEMO TO AGENCIES

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White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
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NSC/S PROFILE

RECORD ID: 9021163
RECEIVED: 16 OCT 90 10

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DC

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STAFF OFFICER: MELBY

LOGREF:

FILES: IFM

NSCP:

CODES:

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

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By DJ2 NARA, Date 04/03/2009

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National Security Council The White House

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 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT
 BYPASSED WW DESK: _____ DOCLOG 24. A/O _____

WEA

	SEQUENCE TO	HAS SEEN	DISPOSITION
Ken Hill	<u>1</u>	<u>KH</u>	<u>A</u>
Bill Sittmann	<u>2</u>	<u>W</u>	
Bob Gates			
Brent Scowcroft			
Bill Sittmann			
Situation Room			
West Wing Desk	<u>3</u>	<u>WWS 10/16</u>	<u>CDX D</u>
NSC Secretariat	<u>4</u>	<u>WWS 11/30</u>	<u>R</u>

90 OCT 16 P 4. 17

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other _____

Should be seen by: _____
 (Date/Time)

COMMENTS

DISPATCH INSTRUCTIONS:

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01a. List	National Security Council Distribution List (1 pp.)	10/16/90	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

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

DC214

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECORD

LOG 9021163
DATE 16 OCT 90

SUBJECT: NOTIFICATION OF DC MTG ON ISRAELI MACHINE TOOLS 19 OCT
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

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WASHINGTON, DC 20520

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WASHINGTON, DC 20220

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ROOM 3E880
PENTAGON
WASHINGTON, DC

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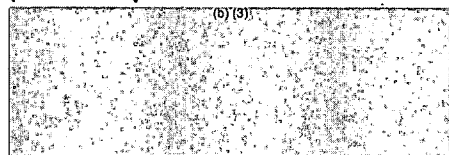
10/17/90	8:42	Charles Moss
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PAGE 01 OF 01 PAGES

Withdrawal/Redaction Sheet

(George Bush Library)

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01b. List	National Security Council Distribution List (1 pp.)	10/16/90	(b)(3)	

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AR Disposition Date:	MR Disposition Date:

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NATIONAL SECURITY COUNCIL
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DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

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10/16

11:10 PM

Charles W. Alexander

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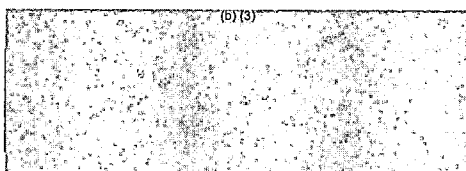
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TIME

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WASHINGTON, DC 20520

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OFFICE OF THE VICE PRESIDENT
VIA LARRY BRANSCUM
ROOM 292, OEOB
WASHINGTON, DC 20500

1100 1000 Larry H Branscum

COPY: 1

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WASHINGTON, DC 20220

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PAGE 01 OF 02 PAGES

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ROY, J DEPARTMENT OF STATE ROOM 7224, MAIN STATE 2201 C STREET, NW WASHINGTON, DC 20520	_____	_____	_____ COPY: 1 _____
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DOWNING, R DEPARTMENT OF THE TREASURY ROOM 3408, MAIN TREASURY 15TH & PENNSYLVANIA AVE, NW WASHINGTON, DC 20220	_____	_____	_____ COPY: 1 _____
CARD, A WHITE HOUSE 1ST FLOOR, WEST WING WHITE HOUSE	10/17	2:30	J. Casey COPY: 1 _____
DUBIA, J DEPARTMENT OF DEFENSE ROOM 3E880 PENTAGON WASHINGTON, DC	_____	_____	_____ COPY: 1 _____
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PAGE 01 OF 02 PAGES

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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

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THE WHITE HOUSE

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ON ROOM

P6:15

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A

MESSAGE NO. 1428 CLASSIFICATION CONFIDENTIAL PAGES 2
 FROM WILLIAM F. SITTING (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION DC MTG 19 OCT

LOG # 21163

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
STATE	MR J STAPLETON ROY	EXEC SEC	
TREASURY	MR R BLAIR DOWNING	EXEC SEC	
DEFENSE	COL JOHN DUBIA	EXEC SEC	
(b)(3)			
JCS	COL GEORGE SUMRALL	ASST TO CHAIRMAN	

REMARKS ***PLEASE DELIVER TO ALL ADDRESSEES ASAP***

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01d. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009

OA/ID Number: 90017-008

FOIA/SYS Case #: 2003-0261-F

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

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

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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pg: 15

MESSAGE NO. 1428 CLASSIFICATION CONFIDENTIAL PAGES 2
 FROM WILLIAM F. SITTMAN (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION DC MTG 19 OCT

LOG # 21163

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	EXTENSION
STATE	MR J STAPLETON ROY	EXEC SEC	
TREASURY	MR R BLASER, DOWNING	EXEC SEC	
DEFENSE	COL JOHN DUBIA	EXEC SEC	
(b)(3)			
JCS	COL GEORGE SUMRALL	ASST TO CHAIRMAN	

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Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed:	4/3/2009	OA/ID Number:	90017-008
FOIA/SYS Case #:	2003-0261-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

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- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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MESSAGE NO. 1428 CLASSIFICATION CONFIDENTIAL PAGES 2
FROM WILLIAM F. SITTHAND (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION DC MTG 19 OCT

LOG # 21163

TO (AGENCY) **DELIVER TO:** **DEPT/ROOM NO.** **EXTENSION**

STATE	MR J STAPLETON ROY	EXEC SEC	
TREASURY	MR R BLAIR DOWNING	EXEC SEC	
DEFENSE	COL JOHN DUBIA	EXEC SEC	
(b)(3)			
JCS	COL GEORGE SUMRALL	ASST TO CHAIRMAN	

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01f. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed:	4/3/2009	OA/ID Number:	90017-008
FOIA/SYS Case #:	2003-0261-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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K-1

0705
10/17/90

MESSAGE NO. 1428 CLASSIFICATION CONFIDENTIAL PAGES 2
FROM WILLIAM F. SITTHAM (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION DC MTG 19 OCT

LOG # 21163

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
STATE	MR J STAPLETON ROY	EXEC SEC	
TREASURY	MR R BLAIR DOWNING	EXEC SEC	
DEFENSE	COL JOHN DUBIA	EXEC SEC	
	(b)(3)		
JCS	COL GEORGE SUMRALL	ASST TO CHAIRMAN	

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Withdrawal/Redaction Sheet

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01g. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	n.d.	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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MESSAGE NO. _____ CLASSIFICATION _____ PAGES 2

FROM WILLIAM F. SITTMANN (NAME) _____ (EXTENSION) _____ (ROOM NUMBER)

MESSAGE DESCRIPTION DC MTG 19 OCT

LOG # 21163

<u>TO (AGENCY)</u>	<u>DELIVER TO</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
STATE	MR J STAPLETON ROY	EXEC SEC	
TREASURY	MR R BLARI DOWNING	EXEC SEC	
DEFENSE	COL JOHN DUBIA	EXEC SEC	
(b)(3)			
JCS	COL GEORGE SUMRALL	ASST TO CHAIRMAN	

REMARKS ***PLEASE DELIVER TO ALL ADDRESSEES ASAP***

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252 04/03/2007

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01h. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/16/1990	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed:	4/3/2009	OA/ID Number:	90017-008
FOIA/SYS Case #:	2003-0261-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
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21163

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

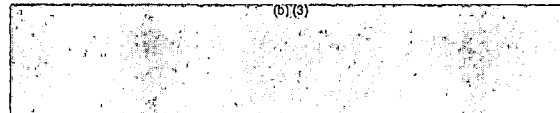
October 16, 1990

MEMORANDUM FOR

MR. J. STAPLETON ROY
Executive Secretary
Department of State

MR. DAVID A. WEISS
Executive Secretary
U.S. Trade Representative

MR. R. BLAIR DOWNING
Executive Secretary
Department of the Treasury



COL JOHN A. DUBIA
Executive Secretary
Department of Defense

COL GEORGE L. SUMRALL, JR.
Administrative Assistant to the
Chairman
Joint Chiefs of Staff

MR. MICHAEL P. SKARZYNSKI
Chief of Staff
Department of Commerce

SUBJECT: NSC Deputies Committee Meeting on Israeli Machine
Tools (U)

There will be an NSC Deputies Committee meeting on Israeli
Machine Tools at 11 a.m. on Friday, October 19, in the White
House Situation Room. An agenda is attached (Tab A). A
discussion paper will be circulated separately. (C)

Attendance will principals plus one. (U)


William F. Sittmann
Executive Secretary

cc: Assistant to the President and Deputy to the Chief of Staff
Carnes Lord

Attachment
Tab A Agenda

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By 172 NARA, Date 04/03/2009

~~CONFIDENTIAL~~

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NSC DEPUTIES COMMITTEE MEETING

DATE: October 19, 1990
LOCATION: White House Situation Room
TIME: 11:00 A.M.-12:00 NOON

ISRAELI MACHINE TOOLS

Agenda

- I. Introduction Mr. Gates
- II. Key Elements Department of Commerce
- III. Discussion All Participants
- IV. Summary Mr. Gates

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By 322 NARA, Date 04/03/2009

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21163

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 16, 1990

ACTION

MEMORANDUM FOR WILLIAM F. SITTMANN

THROUGH: TIMOTHY E. DEAL *TD*

FROM: ERIC MELBY *EM*

SUBJECT: Memo to the Agencies for NSC Deputies Committee Meeting on Israeli Machine Tools

SIGNED

Attached at Tab I is a memorandum from you to the agencies notifying them of an NSC Deputies Committee Meeting on Israeli Machine Tools at 11 a.m. on Friday, October 19 and forwarding an agenda. A discussion paper will be forwarded separately.

Concurrences by: David Welch *DW* and Doug Paal *DP*

RECOMMENDATION

That you sign the memorandum to the agencies at Tab I.

Attachments

Tab I Memo to the Agencies
Tab A Agenda

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By DJK NARA, Date 04/03/2009

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NSC/S PROFILE

RECORD ID: 9021163
RECEIVED: 16 OCT 90 10

TO: AGENCIES

FROM: SITTMANN

DOC DATE: 17 OCT 90
SOURCE REF:

KEYWORDS: ISRAEL
DC

AGENDA

PERSONS:

SUBJECT: DISCUSSION PAPER RE NSC DC MTG ON ISRAELI MACHINE TOOLS 19 OCT

ACTION: SITTMANN SGD MEMO TO AGENCIES DUE DATE: 18 OCT 90 STATUS: C

STAFF OFFICER: MELBY

LOGREF: 9021133 9021172

FILES: IFM O

NSCP: DC214

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

DEAL
MELBY
NSC CHRON
WELCH

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E.O. 12958, SEC 3.4 (B) September 11, 2006
By JSZ NARA, Date 07/03/2009

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RECORD ID: 9021163

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003 SITTMANN
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X 90101617 SITTMANN SGD MEMO TO AGENCIES
Z 90101713 ADD-ON / FOR SIGNATURE
X 90101715 SITTMANN SGD MEMO TO AGENCIES

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RECORD ID: 9021163
RECEIVED: 16 OCT 90 10

TO: AGENCIES

FROM: SITTMANN

DOC DATE: 17 OCT 90
SOURCE REF:

KEYWORDS: ISRAEL
DC

AGENDA

PERSONS:

SUBJECT: DISCUSSION PAPER RE NSC DC MTG ON ISRAELI MACHINE TOOLS 19 OCT

ACTION: SITTMANN SGD MEMO TO AGENCIES DUE DATE: 18 OCT 90 STATUS: C

STAFF OFFICER: MELBY

LOGREF:

FILES: IFM

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By DT2 NARA, Date 04/03/2009

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**National Security Council
The White House**

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DOCLOG AL A/O 01

SEQUENCE TO

HAS SEEN

DISPOSITION

Ken Hill

Bill Sittmann

Bob Gates

Brent Scowcroft

Bill Sittmann

Situation Room

West Wing Desk

NSC Secretariat

1

2

3

4

[Signature]

24.10.17

LMS 11/30

A

PN

R

90 OCT 17 P.1: 23

A = Action

I = Information

D = Dispatch

R = Retain

N = No further Action

cc: VP

Sununu

Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

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NATIONAL SECURITY COUNCIL
DISTRIBUTION RECORD

LOG 9021163
DATE 17 OCT 90

SUBJECT: DISCUSSION PAPER RE NSC DC MTG ON ISRAELI MACHINE TOOLS 19 OCT
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

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DEPARTMENT OF STATE
ROOM 7224, MAIN STATE
2201 C STREET, NW
WASHINGTON, DC 20520

DATE

10/17/90

TIME

^{PM}
4:16

SIGNATURE

Anthony T. Jacobs

COPY: 1

CARD, A
WHITE HOUSE
1ST FLOOR, WEST WING
WHITE HOUSE

10/17

3:45

L Casey

COPY: 1

WEISS, D
U.S. TRADE REPRESENTATIVE
ROOM 517, WINDER BUILDING
600 17TH STREET, NW
WASHINGTON, DC 20560

10-17

6:03

David Dook

COPY: 1

LORD, C
OFFICE OF THE VICE PRESIDENT
VIA LARRY BRANSCUM
ROOM 292, OEOB
WASHINGTON, DC 20500

18 Oct

0915

Larry A. Branscum

COPY: 1

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PAGE 01 OF 01 PAGES

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SUBJECT: DISCUSSION PAPER RE NSC DC MTG ON ISRAELI MACHINE TOOLS 19 OCT
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ROY, J DEPARTMENT OF STATE ROOM 7224, MAIN STATE 2201 C STREET, NW WASHINGTON, DC 20520	<u>10/17</u>	<u>5:15</u>	<u>T. Daley</u>
			COPY: <u>1</u>

CARD, A WHITE HOUSE 1ST FLOOR, WEST WING WHITE HOUSE	_____	_____	_____
			COPY: <u>1</u>

WEISS, D U.S. TRADE REPRESENTATIVE ROOM 517, WINDER BUILDING 600 17TH STREET, NW WASHINGTON, DC 20560	_____	_____	_____
			COPY: <u>1</u>

LORD, C OFFICE OF THE VICE PRESIDENT VIA LARRY BRANSCUM ROOM 292, OEOB WASHINGTON, DC 20500	_____	_____	_____
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DEPARTMENT OF STATE
ROOM 7224, MAIN STATE
2201 C STREET, NW
WASHINGTON, DC 20520

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		COPY: 1

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1ST FLOOR, WEST WING
WHITE HOUSE

		COPY: 1

WEISS, D
U.S. TRADE REPRESENTATIVE
ROOM 517, WINDER BUILDING
600 17TH STREET, NW
WASHINGTON, DC 20560

		COPY: 1

LORD, C
OFFICE OF THE VICE PRESIDENT
VIA LARRY BRANSCUM
ROOM 292, OEOB
WASHINGTON, DC 20500

		COPY: 1

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02a. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

**Document Declassified
(Document Follows)**

By MM (NLGB) on 11/18/2015

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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PRM. Removed as a personal record misfile.

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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

WHITE HOUSE

90 OCT 17 P3:04

SITUATION ROOM

WASHFAX RECEIPT

THE WHITE HOUSE

OCT 17 3 22 PM '96

URGENT

C

A

MESSAGE NO. 1431 CLASSIFICATION CONFIDENTIAL PAGES 26
FROM WILLIAM F. SITTMANN
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION DISCUSSIONS PAPER RE NSC DC MTG ON ISRAELI MACHINE
TOOLS 19 OCT LOG # 21163 A/O # 1

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
B STATE	MR. J. STAPLETON ROY	EXEC SEC	
K-TREASURY	MR. R. BLAIR DOWNING	EXEC SEC	
D DEFENSE	COL JOHN A. DUBIA	EXEC SEC	
L COMMERCE	MR. MICHAEL P. SKARZYNSKI	Cofs	
A	(b)(3)		
D JCS	COL GEORGE L. SUMRALL, JR.	ADM ASST TO THE CHAIRMAN	

REMARKS ** PLEASE DELIVER TO ADDRESSEE ASAP ***

URGENT

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"CB" site D QSL'D VIA phone!
(JCS + Defense)

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS
DJL 04/03/2009

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02b. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

**Document Declassified
(Document Follows)**
By MM (NLGB) on 11/18/2015

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
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C. Closed in accordance with restrictions contained in donor's deed of gift.

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WHITE HOUSE

WASHFAX RECEIPT

THE WHITE HOUSE

90 OCT 17 P3:04

SITUATION ROOM

URGENT

C

CR

1533

CONFIDENTIAL

MESSAGE NO. 1431 CLASSIFICATION CONFIDENTIAL PAGES 26

FROM WILLIAM F. SITTMANN (NAME) 24 (EXTENSION) 1533 (ROOM NUMBER)

MESSAGE DESCRIPTION DISCUSSIONS PAPER RE NSC DC MTG ON ISRAELI MACHINE

TOOLS 19 OCT

LOG # 21163 A/O #1

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
B STATE	MR. J. STAPLETON ROY	EXEC SEC	
K-TREASURY	MR. R. BLAIR DOWNING	EXEC SEC	
D DEFENSE	COL JOHN A. DUBIA	EXEC SEC	
L COMMERCE	MR. MICHAEL P. SKARZYNSKI	CoFS	
A	(b)(3)		
D JCS	COL GEORGE L. SUMRALL, JR.	ADM ASST TO THE CHAIRMAN	

REMARKS ** PLEASE DELIVER TO ADDRESSEE ASAP ***

URGENT

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REMOVAL OF CLASSIFIED
ATTACHMENTS
052 04/03/2009

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02c. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Document Declassified
(Document Follows)
By MM (NLGB) on 11/18/2015

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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00 OCT 17 03:04

WASHFAX RECEIPT

THE WHITE HOUSE

C

MESSAGE NO. 1431 CLASSIFICATION CONFIDENTIAL PAGES 26

FROM WILLIAM P. SITTMANN
(NAME)

(EXTENSION)

(ROOM NUMBER)

MESSAGE DESCRIPTION DISCUSSIONS PAPER RE NSC DC MTG ON ISRAELI MACHINE

TOOLS 19 OCT

LOG # 21163 A/O #1

TO (AGENCY)

DELIVER TO

DEPT/ROOM NO.

EXTENSION

B STATE

MR. J. STAPLETON ROY

EXEC SEC

K-1 TREASURY

MR. R. BLAIR DOWNING

EXEC SEC

D DEFENSE

COL JOHN A. DUBIA

EXEC SEC

L COMMERCE

MR. MICHAEL P. SKARZYNSKI Coifs

(b) (3)

D JCS

COL GEORGE L. SUMRALL, JR. ADM ASST TO THE CHAIRMAN

REMARKS

*** PLEASE DELIVER TO ADDRESSEE ASAP ***

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS

DEC 04/03/2009

URGENT

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02d. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

**Document Declassified
(Document Follows)
By MM (NLGB) on 11/18/2015**

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
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WASHFAX RECEIPT

C

10/17/90

MESSAGE NO. 1431 CLASSIFICATION _____ PAGES 20

FROM WILLIAM P. SITTMANN
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION DISCUSSIONS PAPER RE NSC DC MEM ON ISRAELI MACHINE
TOOLS 19 OCT LOG # 21163 JAN 91

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	EXTENSION
B STATE	MR. J. STAPLETON ROY	EXEC SEC	
K TREASURY	MR. P. BLAIR OWNING	EXEC SEC	
D DEFENSE	COL JOHN A. DUBIA	EXEC SEC	
L COMMERCE	MR. MICHAEL P. SKARZYNSKI COFF		
A	(b)(3)		
D JCS	COL GEORGE L. SUMRALL, JR. ADM ASST TO THE CHAIRMAN		

REMARKS ** PLEASE DELIVER TO ADDRESSEE ASAP ***

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REMOVAL OF CLASSIFIED
ATTACHMENTS

DTC 04/03/2009

URGENT

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02e. Washfax Receipt	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: DC MTG 19 Oct (1 pp.)	10/17/90	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

**Document Declassified
(Document Follows)**
By MM (NLGB) on 11/18/2015

Date Closed: 4/3/2009	OA/ID Number: 90017-008
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Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
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WASHFAX RECEIPT

THE WHITE HOUSE

C

K-1

MESSAGE NO. 1431 CLASSIFICATION _____ PAGES 26

FROM WILLIAM F. SITTMANN
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION DISCUSSIONS PAPER RE NSC DC MTG ON ISRAELI MACHINE

UNCLS 19 OCT

LOG # 21163 A/O #1

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	EXTENSION
B STATE	MR. J. STAPLETON ROY	EXEC SEC	
K-1 TREASURY	MR. R. BLAIR DOWNING	EXEC SEC	
D DEFENSE	COL JOHN A. DUBIA	EXEC SEC	
L COMMERCE	MR. MICHAEL P. SKARZYNSKI	CoFS	
A	(b)(3)		
D JCS	COL GEORGE L. SUMRALL, JR.	ADM ASST TO THE CHAIRMAN	

REMARKS ** PLEASE DELIVER TO ADDRESSEE ASAP ***

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REMOVAL OF CLASSIFIED
ATTACHMENTS

DTL 04/03/2009

Best Copy!

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02f. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/17/1990	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

**Document Declassified
(Document Follows)**
By MM (NLGB) on 11/18/2015

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P-2/P-5 Review Case #:	Disposition Date:
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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

21163 add-on

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

October 17, 1990

MEMORANDUM FOR

MR. J. STAPLETON ROY
Executive Secretary
Department of State

MR. DAVID A. WEISS
Executive Secretary
U.S. Trade Representative

MR. R. BLAIR DOWNING
Executive Secretary
Department of the Treasury

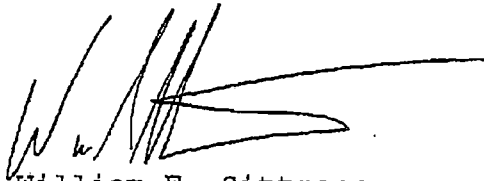
COL JOHN A. DUBIA
Executive Secretary
Department of Defense

COL GEORGE L. SUMRALL, JR.
Administrative Assistant to the
Chairman
Joint Chiefs of Staff

MR. MICHAEL P. SKARZYNSKI
Chief of Staff
Department of Commerce

SUBJECT: NSC Deputies Committee Meeting on Israeli Machine
Tools (U)

Attached at Tab A is a discussion paper for the NSC Deputies
Committee meeting on Israeli Machine tools at 11 a.m. on Friday,
October 19. (C)



William F. Sittmann
Executive Secretary

cc: Assistant to the President and Deputy to the Chief of Staff
Carnes Lord (OVP)

Attachment
Tab A Discussion Paper

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2008

By 572 NARA, Date 04/03/2009

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02g. Paper	Re: Israeli Machine Tools (5 pp.)	n.d.	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed:	4/3/2009	OA/ID Number:	90017-008
FOIA/SYS Case #:	2003-0261-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
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MACHINING CENTERS

	Imports (units)							Import Penetration (percent)						
	1985	1986	1987	1988	1989	YTD-1989	YTD-1990	1985	1986	1987	1988	1989	Q1-1989	Q1-1990
All Country	4,188	4,037	2,971	2,949	3,876	1,762	1,749	81.80	84.02	78.08	62.73	66.38	62.68	72.09
Arrangement	3,973	3,687	2,622	2,309	2,742	1,236	1,092	77.60	76.73	68.91	49.12	46.96	44.69	45.20
Japan	3,735	3,261	2,283	2,107	2,569	1,167	1,008	72.95	67.87	60.00	44.82	44.00	42.67	42.06
Taiwan	238	426	339	202	173	69	84	4.65	8.87	8.91	4.30	2.96	2.02	3.14
Non-Arrangement	215	350	349	640	1,134	526	657	4.20	7.28	9.17	13.61	19.42	18.00	26.89
Fed Rep Germany	81	171	122	108	278	136	119	1.58	3.56	3.21	2.30	4.76	3.41	5.74
Switzerland	11	7	25	13	17	6	6	0.21	0.15	0.66	0.28	0.29	0.23	0.39
Brazil	0	1	2	0	1	0	1	0.00	0.02	0.05	0.00	0.02	0.00	0.00
Italy	10	3	21	7	59	48	10	0.20	0.06	0.55	0.15	1.01	0.23	0.31
Korea	10	3	11	43	52	41	39	0.20	0.06	0.29	0.91	0.89	0.93	0.79
Singapore	28	15	5	50	177	55	93	0.55	0.31	0.13	1.06	3.03	0.93	4.25
Spain	9	3	6	9	7	2	10	0.18	0.06	0.16	0.19	0.12	0.08	0.79
Sweden	8	22	24	13	11	5	0	0.16	0.46	0.63	0.28	0.19	0.16	0.00
United Kingdom	38	106	109	301	378	169	281	0.76	2.21	2.86	6.40	6.47	9.00	11.08
Austria	0	0	0	5	3	1	4	0.00	0.00	0.00	0.11	0.05	0.00	0.08
Israel	0	0	1	26	74	31	24	0.00	0.00	0.03	0.55	1.27	1.16	0.79
China	5	0	6	16	27	17	3	0.10	0.00	0.16	0.34	0.46	1.09	0.00

YTD (Year to Date) = January through June.

Source: U.S. Department of Commerce, Bureau of the Census.

Prepared by: U.S. Department of Commerce, Import Administration, Office of Agreements Compliance, (October 1990).

Official Census data corrected by OAC with U.S. Customs agreement for misclassifications of machining centers imported from Israel as non-NC milling machines in 1988 and 1989.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 17, 1990

ACTION

MEMORANDUM FOR WILLIAM F. SITTMANN

THROUGH: TIMOTHY E. DEAL *TD*

FROM: ERIC MELBY *EM*

SUBJECT: Discussion Paper for NSC Deputies Committee
Meeting on Israeli Machine Tools

Attached at Tab I is a memorandum from you to the agencies forwarding a discussion paper for the October 19 NSC Deputies Committee Meeting on Israeli Machine Tools.

Concurrence by: David Welch *DW*

RECOMMENDATION

That you sign the memorandum to the agencies at Tab I.

Attachments

Tab I Memo to the Agencies
Tab A Discussion Paper

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By DTL NARA, Date 04/03/2009

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THE WHITE HOUSE

WASHINGTON

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May 21, 1986

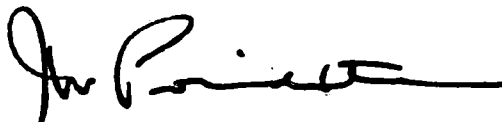
UNCLASSIFIED W/
CONFIDENTIAL ATTACHMENT

MEMORANDUM FOR 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 LABOR
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES TRADE REPRESENTATIVE
CHAIRMAN, JOINT CHIEFS OF STAFF
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS

SUBJECT: Presidential Action on the Section 232 Machine
Tools Case (U)

The President's decision directive on this case is attached. (U)

FOR THE PRESIDENT:



John M. Poindexter

Attachment
NSDD-226

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THE WHITE HOUSE

WASHINGTON

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NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 226

May 21, 1986

MACHINE TOOLS AND NATIONAL SECURITY (U)

Statement of Policy

It is the policy of the United States to maintain a broadly based deterrent against different types of conflict. In this regard, the U.S. defense industrial base is a critical component of conventional and strategic deterrence. (U)

Section 232 Study

On March 17, 1986, the Secretary of Commerce forwarded a report on the effect of machine tool imports on the national security that was prepared under Section 232 of the Trade Expansion Act of 1962, as amended. This study was based on current Administration national security policy and included analysis developed by an interagency task force. (U)

The Secretary of Commerce, in consultation with the Secretary of Defense and other relevant Administration officials, indicated that the machine tool industry is a small yet vital component of the U.S. defense base. The Secretary of Commerce further indicated that high levels of imports can erode U.S. capabilities to manufacture critical machine tool product lines. (U)

I have reviewed the Secretary of Commerce's report on the impact of imports of machine tools on the national security and considered the information on this issue presented at the National Security Council Meeting. (U)

Based on this information I have decided that the following course of action shall be implemented:

- A specific 232 finding will be delayed for six months.
- In six months time, based on how the U.S. domestic industry is performing and the nature of imports, a finding will be made. (U)
- Voluntary Restraint Agreements will be sought with Taiwan, West Germany, Japan and Switzerland on machining centers, numerically controlled (NC) lathes, non-NC lathes, non-NC punching and shearing, NC punching and shearing, and milling machines. A breakdown of the levels to be sought through discussion and consultation with the exporting countries are as follows (VRA levels are based on the percent of units shipped vis-a-vis the total U.S. market):

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-- Milling Machines - Seek reduction in supplies from Taiwan to 1981 levels; Japan to maintain 1985 level.

-- NC Lathes - Seek reduction in supplies from Japan to 1981 level; W. Germany and Taiwan to maintain 1985 levels.

-- Machining Centers - Seek reduction in supplies from Japan to 1981 level; Taiwan and W. Germany to maintain 1985 levels.

-- Non-NC Lathes - Seek reduction in supplies from Taiwan to 1981 level; Japan and W. Germany to maintain 1985 levels.

-- Non-NC Punching and Shearing - Seek reduction in supplies from W. Germany and Japan to 1981 levels.

-- NC Punching and Shearing - Seek reduction in supplies from Japan to 1981 levels; Switzerland and W. Germany to maintain 1985 levels. (S)

It is understood that the above guidance is subject to new information that may become available through discussions with exporters on the changing nature of imports or specific U.S. requirements for certain foreign machines that U.S. companies do not produce. (U)

The VRAs are to be sought for a three year period. The USG will retain the option to extend this period for two additional years based on U.S. industry performance and the nature of imports. (U)

Noting that a domestic machine tool industry has been and is of national importance to the United States defense capabilities and general economic well-being, the following steps will also be taken:

I. The Departments of Defense and Commerce in cooperation with other concerned Agencies will, in 90 days, forward an Action Plan to ensure a modern U.S. machine tool industry in support of national defense. The Action Plan is to include the following components:

1. A plan to integrate more fully U.S. machine tool manufacturers into the defense procurement process. This will require that companies receive more timely information on U.S. defense programs and future DOD manufacturing requirements. (U) ✓

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2. A program to modernize machine tool capabilities that support our national defense by:

A. Enabling U.S. machine tool companies to participate more effectively in manufacturing productivity programs (i.e., The Industrial Modernization Incentive Program). (U)

B. Developing the means whereby U.S. machine tool manufacturers can benefit through technology improvements via the MANTECH Program. (U)

C. Increasing participation by U.S. machine tool manufacturers in defense programs involving a high degree of advanced material processing. Technology transfer issues are to be assessed. (U)

3. The provision of up to \$5 million in Federal Government matching funds per year over the next three years for a private sector technology center, to help the machine tool industry make advances in manufacturing and design. (U) ✓

4. Measures to enhance domestic and foreign investment in the modernization of U.S. industry. (U) ✓

It is understood that the Action Plan and its components will be funded within currently approved budget levels (FY 87 Budget). (U)

II. The Attorney General, in consultation with the Departments of Defense and Commerce, will report in 90 days on the potential for cooperative research and development efforts on the part of industry. The negotiation of voluntary agreements and the utility of antitrust exemptions as provided under Section 708 of the Defense Production Act are to be explored. (U)

III. Actions I and II are designed to provide incentives for the domestic machine tool industry to make needed investments to improve its production base. The Secretary of Commerce, in coordination with other concerned Agencies, will monitor the U.S. machine tool industry's performance on an annual basis with emphasis on the steps it has taken to improve its production capabilities and competitive position. (U)

IV. The Secretary of Commerce, in consultation with concerned Agencies, will monitor machine tool trade and immediately report any unfair or predatory trade practices. (U)

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V. The United States Trade Representative, in close coordination with the Departments of State and Commerce, the Office of Management and Budget, and the National Security Council staff, will take the necessary steps to implement the VRAs. (U)

Ronald Reagan

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12
THE SECRETARY OF COMMERCE
Washington, D.C. 20230

Herr Martin Bangemann
Minister of Economics
Bonn

Dear Mr. Minister:

On May 20, 1986, President Reagan announced a major initiative to facilitate the revitalization of the domestic machine tool industry. At that time, the President decided to seek voluntary export restraint agreements with Japan, Taiwan, Switzerland and the Federal Republic of Germany. He also directed that a Domestic Action Plan be developed to facilitate the modernization of the U.S. machine tool industry.

The President's decision was based on a comprehensive review of the effect of machine tool imports on the U.S. national security. This review was conducted under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), which gives the President authority to adjust imports if he determines that they threaten to impair the national security.

Japan and Taiwan have agreed to restrain voluntarily the level of their machine tool exports to the United States for a period of five years beginning in January 1987.

During our discussions with your representatives during the past several months, the U.S. Government indicated that exports of certain machine tools from your country to the United States should not exceed the limits specified below for each of the next five years beginning in January 1987. Based on a market forecast to be developed using U.S. Government data, we will translate these market shares into the exact numbers of machine tools.

PRODUCT CATEGORY	MARKET SHARE
NC Punching and Shearing Machines	3.3%
Non-NC Punching and Shearing Machines	7.9%
Machining Centers	1.6%
NC Lathes	2.7%
Non-NC Lathes	3.4%

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-2-

In the meetings with your representatives, the U.S. Government also discussed the possibility of periodically exchanging information regarding the Federal Republic of Germany's machine tool exports to the United States. Such exchanges should begin as soon as possible to meet the objectives of the President's program.

At the President's direction, the U.S. Department of Commerce and the U.S. Customs Service have initiated a program to monitor machine tool imports. Your government has indicated that exports from the Federal Republic of Germany are not likely to exceed the limits specified above. However, if we determine that your exports of these machine tools exceed these limits and undermine the integrity of the program, the President is prepared to take unilateral action under U.S. law.

Sincerely,


Secretary of Commerce


United States Trade Representative

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14
THE SECRETARY OF COMMERCE
Washington, DC 20503

H.E. Excellency Kyung-Won Kim
Ambassador of Korea
Washington, DC 20008

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PER E.O. 13526

2010-2175-MR

7/22/2014 MM

Dear Mr. Ambassador:

On May 20, 1986, President Reagan announced a major initiative to facilitate the revitalization of the domestic machine tool industry. At that time, the President decided to seek voluntary import restraint agreements with Japan, Taiwan, Switzerland and the Federal Republic of Germany. He also directed that a Domestic Action Plan be developed to facilitate the modernization of the U.S. machine tool industry.

The President's decision was based on a comprehensive review of the effect of machine tool imports on the U.S. national security. This review was conducted under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), which gives the President authority to adjust imports if he determines that they threaten to impair the national security.

Japan and Taiwan have agreed to restrain voluntarily the level of their machine tool exports to the United States for a period of five years beginning in January 1987. Specifically, Japan will limit its exports of machining centers, computer controlled and non-computer controlled lathes, computer controlled and non-computer controlled punching and shearing machines and milling machines. Taiwan will limit its exports of machining centers, computer controlled and non-computer controlled lathes and milling machines.

We have also advised the Federal Republic of Germany and Switzerland that their exports of certain categories of machine tools to the United States should not exceed specified limits. We indicated that the President is prepared to take unilateral action under U.S. law, if necessary. In this regard, the President has directed the Department of Commerce and the U.S. Customs Service to monitor machine tool imports to determine whether these limits are being exceeded, and to similarly monitor imports from all other major supplier countries.

If we determine that imports from your country are capturing an increased market share and undermining the integrity of the machine tool revitalization program, the President will take appropriate remedial action.

Sincerely,

Malcolm Baldrige
Secretary of Commerce

Clayton Yeutter
United States Trade Representative

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[Rules of Origin]

1. This Agreement shall apply to any article if:

(a) that article is wholly the growth, product, or manufacture of a party or is a new or different article of commerce that has been grown, produced, or manufactured in a Party;

(b) that article is imported directly from one Party into the other Party; and

(c) the sum of (i) the cost or value of the materials produced in the exporting Party, plus (ii) the direct costs of processing operations performed in the exporting Party is not less than 35 percent of the appraised value of the article at the time it is entered into the other Party.

2. No article shall be considered a new or different article of commerce under this Agreement and no material shall be eligible for inclusion as domestic content under this Agreement by virtue of having merely undergone (1) simple combining or packaging operations or (2) mere dilution with water or with another substance that does not materially alter the characteristics of the article or material.

3. For the purposes of this Agreement, the expression "wholly

the growth, product, or manufacture of a Party" refers both to any article which has been entirely grown, produced, or manufactured in a Party and to all materials incorporated in an article which have been entirely grown, produced, or manufactured in a Party, as distinguished from articles or materials imported into a Party from a non-participating country, whether or not such articles or materials were substantially transformed into new or different articles of commerce after their importation into the Party.

4. For the purposes of this Agreement, "country of origin" requires that an article or material, not wholly the growth, product, or manufacture, of a Party, be substantially transformed into a new and different article of commerce, having a new name, character, or use, distinct from the article or material from which it was so transformed.

5. For purposes of determining the 35 percent domestic content requirement under this Agreement, the cost or value of materials which are used in the production of an article in one Party, and which are products of the other Party, may be counted in an amount up to 15 percent of the appraised value of the article. Such materials must in fact be products of the importing Party under the country of origin criteria set forth in this Agreement.

6. (a) For the purposes of this Agreement, the cost or value of materials produced in a Party includes:

(i) The manufacturer's actual cost for the materials;

(ii) When not included in the manufacturer's actual cost for the materials, the freight, insurance, packing, and all other costs incurred in transporting the materials to the manufacturer's plant;

(iii) The actual cost of waste or spoilage (material list), less the value of recoverable scrap; and

(iv) Taxes and/or duties imposed on the materials by a Party, provided they are not remitted upon exportation.

(b) - Where a material is provided to the manufacturer without charge, or at less than fair market value, its cost or value shall be determined by computing the sum of:

(i) All expenses incurred in the growth, production, or manufacture of the material, including general expenses;

(ii) An amount for profit; and

(iii) Freight, insurance, packing, and all other costs incurred in transporting the material to the manufacturer's plant. If the pertinent information needed to compute the cost or value of a material is not available, the appraising officer may ascertain or estimate the value thereof using all reasonable ways and means

at his disposal.

7. For the purposes of this Agreement, direct costs of processing operations performed in a Party mean those costs either directly incurred in, or which can be reasonably allocated to, the growth, production, manufacture, or assembly, of the specific article under consideration. Such costs include, but are not limited to the following, to the extent that they are includible in the appraised value of articles imported into a Party:

- (a) all actual labor costs involved in the growth, production, manufacture, or assembly, of the specific article, including fringe benefits, on-the-job training, and the cost of engineering, supervisory, quality control, and similar personnel;
- (b) dies, molds, tooling and depreciation on machinery and equipment which are allocable to the specific article;
- (c) research, development, design, engineering, and blueprint costs insofar as they are allocable to the specific article; and
- (d) costs of inspecting and testing the specific article.

Those items that are not included as direct costs of processing operations are those which are not directly attributable to the articles under consideration or are not costs of manufacturing the product. These include, but are not limited to:

(i) profit; and

(ii) general expenses of doing business which are either not allocable to the specific article or are not related to the growth, production, manufacture, or assembly, of the article, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions, or expenses.

8. For the purposes of this Agreement, "imported directly" means:

(a) direct shipment from one Party into the other Party without passing through the territory of any intermediate country; or

(b) if shipment is through the territory of an intermediate country, the articles in the shipment do not enter into the commerce of any intermediate country and the invoices, bills of lading, and other shipping documents, show the other Party as the final destination; or

(c) if shipment is through an intermediate country and the invoices and other documents do not show the other Party as the final destination, then the articles in the shipment, upon arrival in that Party, are imported directly only if they

(i) remain under the control of the customs authority in an intermediate country;

(ii) do not enter into the commerce of an intermediate country except for the purpose of a sale other than at retail, provided that the articles are imported as a result of the original commercial transaction between the importer and the producer or the latter's sales agent;

(iii) have not been subjected to operations other than loading and unloading, and other activities necessary to preserve the article in good condition; and

(iv) comply with the origin requirements for articles exported to a Party from the other Party under this Agreement as stated in the documents required under the certification procedure.

9. All articles entered under this Agreement shall be documented by a certificate, specimens of which are given in the attachment to this Annex, signed by the exporter to be completed in accordance with the rules specified in the certificate. The certificate should contain sufficient information to identify the articles described on the certificate as the articles to be exported and a statement as to the percentage of value added in a Party and that the articles comply with the country of origin requirements set forth in this Agreement. The certificate will be presented to the Customs authorities of the importing Party in accordance with its internal regulations.

Notwithstanding the above, either Party may waive production of the certificate on a case by case basis for articles imported into such Party and for which the benefits of this Agreement are claimed, if the Party is otherwise satisfied that the imported articles comply with the country of origin requirements set forth in this Agreement.

The exporter or person signing the certificate of origin shall be prepared to submit a declaration setting forth all pertinent details, concerning the production or manufacture of the articles, which were used to prepare the certificate of origin. The information on the declaration should contain at least the following pertinent details:

A. a description of the article, quantity, numbers and marks of packages, invoice numbers, and bills of lading;

B. a description of the operations performed in the production of the article in a Party and identification of the direct costs of processing operations;

C. a description of any materials used in production of the article which are wholly the growth, product, or manufacture of either Party, and a statement as to the cost or value of such materials;

D. a description of the operations performed on, and a statement

as to the origin and cost or value of, any foreign materials used in the article which are claimed to have been sufficiently processed in a Party so as to be materials produced in that Party; and

E. a description of the origin and cost or value of any foreign materials used in the article which have not been substantially transformed in a Party.

This declaration shall be prepared and submitted upon request by a Party. A declaration should only be requested when a Party has reason to question the accuracy of the statements on a certificate of origin, or when a Party randomly verifies certificates of origin.

10. In order to further the administration of this Agreement, the Parties agree to assist each other in obtaining information for the purpose of reviewing transactions made under this Agreement in order to verify compliance with the conditions set forth in this Agreement.

11. The Parties will consult from time to time on the interpretation of these provisions and on practical problems which may arise with a view to prevent unnecessary barriers to trade which are inconsistent with the objectives of this Agreement. In this connection, amendments of the present rules could be proposed.

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FOR THE AMBASSADOR

E.O. 12356: DECL: OADR
TAGS: ETRD, TW, IS
SUBJECT: DEMARCHE ON MACHINE TOOLS

1. THIS IS AN ACTION MESSAGE.

2. ACTION REQUESTED: THE AMBASSADOR IS REQUESTED TO CALL ON TRADE AND INDUSTRY MINISTER MOSHE NISSIM AT THE EARLIEST POSSIBLE DATE, PREFERABLY SUNDAY, TO URGE THE ISRAELI GOVERNMENT NOT TO PURSUE DISPUTE SETTLEMENT ON MACHINE TOOLS UNDER THE FREE TRADE AREA AGREEMENT. REQUEST THE AMBASSADOR DELIVER A LETTER FROM U.S. TRADE REPRESENTATIVE CARLA A. HILLS (TEXT AT PARA 3) AND MAKE THE POINTS CONTAINED IN PARAS 9 THROUGH 12. WASHINGTON AGENCIES REGRET THE NECESSARY URGENCY OF THIS REQUEST.

3. USTR HILLS LETTER TO NISSIM

NOTE: SIGNED ORIGINAL TO FOLLOW.

DEAR MR. MINISTER:

I WANT TO BRING TO YOUR ATTENTION A MATTER WHICH HAS ARISEN UNDER THE U.S.-ISRAEL FREE TRADE AREA AGREEMENT (FTAA). IT CONCERNS A DISPUTE OVER U.S. TREATMENT OF CERTAIN MACHINE TOOL EXPORTS FROM ISRAEL WHICH CONTAIN SUBSTANTIAL TAIWANESE CONTENT.

BRIEFLY, YOUR GOVERNMENT HAS REQUESTED USE OF THE DISPUTE RESOLUTION PROCEDURES -- THEIR FIRST USE -- UNDER THE FTAA TO ARGUE THAT THE UNITED STATES SHOULD PERMIT UNRESTRICTED ENTRY FOR CERTAIN MACHINE TOOLS EXPORTED FROM ISRAEL. WE CONSIDER THESE MACHINES TO BE TAIWANESE FOR THE PURPOSES OF THE U.S.-TAIWAN VOLUNTARY RESTRAINT AGREEMENT (VRA). WE USE THE SAME CRITERIA TO DETERMINE STATUS UNDER THE VRA WHEN EVALUATING MACHINE TOOLS BUILT IN THE UNITED STATES FROM TAIWANESE COMPONENTS.

AS YOU MAY KNOW, THE VRAS WITH TAIWAN AND WITH JAPAN WERE NEGOTIATED BY THE UNITED STATES AFTER AN EXHAUSTIVE INVESTIGATION CONCLUDED THAT HIGH IMPORT PENETRATION HAD SO SERIOUSLY ERODED OUR INDUSTRY'S CAPABILITY THAT PRESIDENT REAGAN WAS CONCERNED THE MACHINE TOOL INDUSTRY COULD NOT RESPOND ADEQUATELY TO U.S. NATIONAL SECURITY NEEDS.

THE TAIWANESE COMPANIES WITH WHICH THE ISRAELI FIRM HAS BEEN DEALING ARE NOTORIOUS FOR THEIR EFFORTS TO EVADE THE U.S.-TAIWAN VRA. THE APPEARANCE OF THE ISRAELI GOVERNMENT ARGUING ON THEIR BEHALF WILL TROUBLE MANY IN THE UNITED STATES. IT MAY ALSO SUGGEST TO SOME THAT THE FTAA IS BEING USED MORE TO HELP FOREIGN FIRMS CIRCUMVENT A

U.S. NATIONAL SECURITY PROGRAM AND U.S. TRADE LAWS THAN TO ENCOURAGE GREATER BILATERAL TRADE BETWEEN OUR TWO COUNTRIES. (WE ARE NOT OPPOSED TO USING THE DISPUTE RESOLUTION MECHANISM OF THE FTAA, BUT WE REGRET SEEING ITS FIRST USE ON A CASE OF CIRCUMVENTION OF A PROGRAM IMPLEMENTED FOR OUR NATIONAL SECURITY.

I UNDERSTAND THAT, SUBSEQUENT TO A RECENT U.S.-TAIWAN MEETING, SHIPMENTS OF COMPONENTS FROM THE CURRENT TAIWANESE SUPPLIER, WHICH HAD BEEN CUT OFF BY THE TAIWANESE AUTHORITIES BECAUSE OF THE FIRM'S ATTEMPT TO CIRCUMVENT OUR VRA, HAVE RESUMED TO THE AFFECTED ISRAELI FIRM. I HAVE BEEN FURTHER INFORMED THAT THE ISRAELI FIRM CAN MEET THE CRITERIA WE HAVE ESTABLISHED IN THE U.S.-TAIWAN ARRANGEMENT, THEREBY GUARANTEEING THAT THEIR MACHINE TOOL EXPORTS WOULD NOT BE SUBJECT TO THE U.S.-TAIWAN VRA.

I ENCOURAGE YOUR GOVERNMENT TO RECONSIDER ITS DECISION IN THIS MATTER.

SINCERELY, CARLA A. HILLS,
UNITED STATES TRADE REPRESENTATIVE

(ADDRESS)
THE HONORABLE
MOSHE NISSIM
MINISTRY OF INDUSTRY AND TRADE
ISRAEL.

4. FOR POST BACKGROUND. ISRAEL HAS INITIATED DISPUTE SETTLEMENT PROCEDURES UNDER THE U.S.-ISRAEL FREE TRADE AREA AGREEMENT (FTAA) OVER U.S. TREATMENT OF EXPORTS OF MACHINE TOOLS FROM ISRAEL WHICH ORIGINATED IN TAIWAN. ISRAEL IS SCHEDULED TO MAKE ITS INITIAL SUBMISSION TO THE DISPUTE SETTLEMENT PANEL BY SEPTEMBER 24. AN INTERAGENCY GROUP RECOMMENDED THAT THE USG URGE THE ISRAELI GOVERNMENT NOT TO PURSUE DISPUTE SETTLEMENT IN THIS CASE.

5. THE U.S. GOVERNMENT MADE A DECISION TO COUNT SPECIFIC CATEGORIES OF TAIWAN MACHINE TOOLS TRANSSHIPPED THROUGH ISRAEL TO THE UNITED STATES AGAINST THE CEILING APPLICABLE UNDER THE U.S.-TAIWAN VOLUNTARY RESTRAINT AGREEMENT (VRA). WHILE THESE MACHINE TOOLS ARE COVERED BY THE VRA IF THEY ARE RE-EXPORTED TO THE UNITED STATES, THEY ALSO QUALIFY FOR DUTY-FREE IMPORTATION AS ISRAELI PRODUCTS UNDER THE FTAA'S VALUE ADDED CRITERION, WHICH REQUIRES THAT A PRODUCT HAVE 35 PERCENT U.S. OR ISRAELI VALUE ADDED. WE NOTE NOW, HOWEVER, THAT THE AFFECTED ISRAELI FIRM HAS SAID THAT IT COULD MEET THE CRITERIA SET IN THE U.S.-TAIWAN ARRANGEMENT, THEREBY GUARANTEEING THAT ITS MACHINE TOOL EXPORTS WOULD BE "ISRAELI" AND NOT SUBJECT TO ANOTHER NATION'S QUANTITATIVE RESTRICTIONS.

6. ISRAEL'S POSITION IS THAT ONCE THE 35 PERCENT VALUE-ADDED CRITERION IS MET, THE TOOLS SHOULD COME INTO THE UNITED STATES WITHOUT RESTRAINT. IN ISRAEL'S VIEW, OUR COUNTING THE TOOLS AGAINST THE TAIWAN VRA HAS THE INDIRECT EFFECT OF RESTRICTING MACHINE TOOL EXPORTS FROM TAIWAN TO ISRAEL AND, THEREFORE, RESTRICTING THE RE-EXPORT OF TOOLS TO THE UNITED STATES. FURTHERMORE, IN SOME GOVERNMENTAL OFFICIALS' EYES, THIS IS A MATTER OF PRINCIPLE AS TO WHETHER THE U.S.-ISRAEL FTAA OR THE U.S.-TAIWAN VRA TAKES PRECEDENCE. FOR THE RECORD, THE UNITED STATES HAS NEVER

DENIED ENTRY TO ANY MACHINE TOOLS IMPORTED FROM ISRAEL.

7. SINCE THE OUTCOME OF ANY DISPUTE SETTLEMENT PROCEEDING

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DEPARTMENT OF COMMERCE

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IS UNCERTAIN, THE USG WILL HAVE TO WEIGH CAREFULLY HOW TO PROCEED. IF THE ISRAELI GOVERNMENT DOES NOT WITHDRAW ITS CASE AGAINST THE USG, WE WILL HAVE TO CHOOSE AMONG THREE OPTIONS: (1) LET THE DISPUTE SETTLEMENT PROCESS RUN ITS COURSE; (2) INVOKE THE NATIONAL SECURITY CLAUSE IN THE FTAA; OR (3) NEGOTIATE AN INCREASE IN THE TAIWAN VRA CEILING OR A MACHINE TOOL VRA WITH ISRAEL.

8. MACHINE TOOL IMPORTS INTO THE UNITED STATES HAVE RECEIVED CONGRESSIONAL SCRUTINY OF LATE: A GAO STUDY PREPARED AT THE REQUEST OF REPRESENTATIVE HELEN DELICH BENTLEY (R-MD) FOCUSED ON A FINDING THAT THE ADMINISTRATION WAS NOT ADEQUATELY ENFORCING THE MACHINE TOOL VRAS. IT IS IMPORTANT TO SHOW CONGRESS AS WELL AS THE ISRAELIS THAT WE INTEND TO ENFORCE VRAS AND THAT CIRCUMVENTION WILL NOT BE ALLOWED TO CONTINUE.

TALKING POINTS

9. YOUR GOVERNMENT HAS REQUESTED THE FIRST USE OF THE DISPUTE SETTLEMENT PROCEDURE OF THE U.S.-ISRAEL FREE TRADE AREA AGREEMENT TO MAKE THE CASE THAT THE UNITED STATES SHOULD PERMIT FREE ENTRY TO CERTAIN MACHINE TOOLS EXPORTED FROM ISRAEL.

10. WE CONSIDER THESE IMPORTED MACHINES TO BE COVERED UNDER THE U.S.-TAIWAN VOLUNTARY RESTRAINT AGREEMENT (VRA). AS YOU MAY KNOW, VRAS WITH TAIWAN AND WITH JAPAN WERE NEGOTIATED BECAUSE IMPORT PENETRATION HAD SO ERODED OUR INDUSTRY'S CAPABILITY THAT WE WERE CONCERNED THAT IT COULD POSE A THREAT TO NATIONAL SECURITY.

11. THE POSITION OF THE U.S. GOVERNMENT IS THAT THE TAIWAN COMPANIES WITH WHICH THE ISRAELI FIRM HAS BEEN DEALING ARE USING ISRAEL TO EVADE THE U.S.-TAIWAN VRA. THE APPEARANCE OF THE ISRAELI GOVERNMENT'S APPARENTLY ARGUING ON THOSE COMPANIES' BEHALF -- IN CIRCUMVENTION OF A U.S. NATIONAL SECURITY PROGRAM -- WILL TROUBLE MANY IN THE UNITED STATES.

12. GIVEN THE NATIONAL SECURITY ORIGINS OF OUR MACHINE TOOL PROGRAM, I HOPE THAT YOUR GOVERNMENT WILL RECONSIDER ITS DECISION TO PURSUE THIS CASE. BAKER

BT

#3264

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 9021179
RECEIVED: 19 OCT 90 16

TO: SITTMANN

FROM: MELBY
DEAL

DOC DATE: 19 OCT 90
SOURCE REF:

KEYWORDS: TECHNOLOGY TRANSFERS
DC

ISRAEL

PERSONS:

SUBJECT: MINUTES OF DC MTG ON 19 OCT RE ISRAELI MACHINE TOOLS

ACTION: SITTMANN APPROVED RECOM

DUE DATE: 23 OCT 90

STATUS: C

STAFF OFFICER: MELBY

LOGREF: 9021133 9021163

FILES: IFM O

NSCP: DC214

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

MELBY

NSC CHRON

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By DJL NARA, Date 04/07/2009

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSEF

CLOSED BY: NSAMM

DOC 1 OF 1

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9021179

DOC ACTION OFFICER

001 SITTMANN
001

CAO ASSIGNED ACTION REQUIRED

Z 90101917 FOR DECISION
X 90101919 SITTMANN APPROVED RECOM

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E.O. 12958, SEC 3.4 (B) September 11, 2006
By DTL NARA, Date 04/07/2009

~~CONFIDENTIAL~~

**National Security Council
The White House**

PROOFED BY: CM

LOG # 21179

URGENT NOT PROOFED: _____

SYSTEM RRS NSC INT

BYPASSED WW DESK: _____

DOCLOG CM A/O _____

WFA

Ken Hill

SEQUENCE TO

HAS SEEN

DISPOSITION

1

nt

A

Bill Sittmann

2

W

Bob Gates

Brent Scowcroft

Bill Sittmann

Situation Room

West Wing Desk

3

N

NSC Secretariat

4

B

R

RECEIVED

90 OCT 19 P 5:30

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

DISPATCH INSTRUCTIONS:

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

21179

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 19, 1990

ACTION

MEMORANDUM FOR WILLIAM F. SITTMANN

THROUGH: TIMOTHY E. DEAL *TE*

FROM: ERIC MELBY *EM*

SUBJECT: Minutes of the NSC Deputies Committee
Meeting on Israeli Machine Tools

Attached at Tab I are the minutes of the October 19 NSC DC meeting on Israeli machine tools.

RECOMMENDATION:

That you approve the attached minutes for the files.

Approve ✓

Disapprove _____

cc: David Welch

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By 356 NARA, Date 04/07/2009

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Meeting Minutes	Re: Minutes of DC Meeting on Israeli Machine Tools (3 pp.)	10/19/1990	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

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

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9021133
RECEIVED: 10 OCT 90 09

TO: GATES

FROM: MELBY
DEAL

DOC DATE: 10 OCT 90
SOURCE REF:

KEYWORDS: ISRAEL
EXPORT CONTROLS

TECHNOLOGY TRANSFERS
DC

PERSONS:

SUBJECT: REQUEST FOR DC MTG RE ISRAEL MACHINE TOOLS

ACTION: ORIGINAL NOT RETURNED TO NSC/S DUE DATE: 10 OCT 90 STATUS: C

STAFF OFFICER: MELBY

LOGREF: 9021163 9021172

FILES: IFM O

NSCP: DC214

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
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSAJC

CLOSED BY: NSEF

DOC 1 OF 1

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 9021133

DOC ACTION OFFICER

001 GATES
001
001

CAO ASSIGNED ACTION REQUIRED

Z 90101013 FOR DECISION
X 90103012 ACTION COMPLETED PER MELBY
X 90103012 ORIGINAL NOT RETURNED TO NSC/S

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

October 9, 1990

ACTION

MEMORANDUM FOR ROBERT GATES

THROUGH: TIMOTHY E. DEAL *TD*
FROM: ERIC MELBY *EM*
SUBJECT: Israeli Machine Tool Exports to the U.S.:
Request for Deputies Meeting

We are engaged in a dispute with Israel over shipment of Taiwan-origin machine tools into the U.S. These machine tools, if exported directly from Taiwan, would be covered under an existing Voluntary Restraint Agreement (VRA) we have with Taiwan, pursuant to a 1986 decision by President Reagan. The President, in accepting the Secretary of Commerce's determination that the machine tool industry is a small but vital component of the U.S. defense base, directed that VRAs be set up with a number of countries to protect U.S. national security (NSDD-226).

The machines in question have been shipped to Israel, modified to comply with provisions of the U.S.-Israel Free Trade Agreement, and shipped duty free to the U.S. In January 1990, the Trade Policy Review Group (TPRG) decided the Israeli exports should be counted against Taiwan's ceiling as they were undermining the intent of the VRA program. Israel claims the action is contrary to the U.S.-Israel FTA and has requested dispute settlement in accordance with our bilateral agreement.

Commerce believes the shipments are an open attempt to circumvent the limits under the Taiwan VRA and that this will cause the entire machine tool VRA program to unravel. Consequently, it wants the U.S. to deny entry of the Israeli shipments. USTR believes Israel is simply taking advantage of legitimate opportunities under the FTA and that the national security threat is debatable. It prefers that the U.S. take up an Israeli offer to negotiate a settlement.

At the end of an inconclusive interagency meeting on October 5, Deputy USTR Linn Williams and Commerce Under Secretary Michael Farren asked that the NSC staff help resolve whether or not the Israeli exports undermine the VRA program. State and DOD, which have yet to take a position, supported bucking the issue to the NSC.

There is no appropriate PCC in which to discuss the issue. Moreover, the issue has been debated several times at the Under Secretary level. We recommend, therefore, that you chair a Deputies Committee meeting to resolve the interagency dispute. The alternative would be to turn the issue over to the EPC, but the key concerned agencies represented on the TPRG do not believe that the EPC should be involved in view of the clear national security origins of the machine tool VRA program. Commerce is preparing a paper setting out the agreed facts.

Concurrences by: David ~~Welch~~ and Doug ~~Paal~~

RECOMMENDATION

That you agree to chair a Deputies Committee meeting, to be scheduled upon completion of the Commerce-drafted discussion paper.

Approve _____

Disapprove _____

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NSC ACTION ITEMS FROM MELBY W/ NATIONAL SECURITY ADVISOR

29 OCT 1990
PAGE 27

RECORD ID LAST ACTION DATE	FROM SUBJECT KEYWORDS	TO	DOC. DATE STATUS DUE DATE	NOTES
9021133	MELBY	GATES	OCT 10	
OCT 10	REQUEST FOR DC MTG RE ISRAEL MACHINE TOOLS		X	
	DC ISRAEL	EXPORT CONTROLS TECHNOLOGY TRANSFERS	10/10/90	

Action completed -
mtg. held

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CLASSIFIED BY NSC EXECUTIVE SECRETARY
DECLASSIFY ON: OADR

Lonnie
pls. close out

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 9021178
RECEIVED: 19 OCT 90 16

TO: GATES

FROM: MELBY
DEAL

DOC DATE: 19 OCT 90
SOURCE REF:

KEYWORDS: TECHNOLOGY TRANSFERS
DC

ISRAEL
SOC

PERSONS:

SUBJECT: SUMMARY OF CONCLUSIONS FOR DC MTG ON 19 OCT RE ISRAELI MACHINE TOOLS

ACTION: GATES APPROVED RECOM

DUE DATE: 23 OCT 90

STATUS: C

STAFF OFFICER: MELBY

LOGREF: 9021133 9021163

FILES: IFM O

NSCP: DC214

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

DEAL
MELBY
NSC CHRON

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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By DC NARA, Date 04/07/2009

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSEF

CLOSED BY: NSAJC

DOC 1 OF 1

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ACTION DATA SUMMARY REPORT

RECORD ID: 9021178

DOC ACTION OFFICER

001 SITTMANN
001

CAO ASSIGNED ACTION REQUIRED

Z 90101917 FOR DECISION
X 90102010 GATES APPROVED RECOM

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White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By JD NARA, Date 04/07/2009

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**National Security Council
The White House**

PROOFED BY: *[Signature]*

LOG # 21178

URGENT NOT PROOFED: _____

SYSTEM RRS NSC INT

BYPASSED WW DESK: _____

DOC LOG *[Signature]* A/O _____

WBA

	SEQUENCE TO	HAS SEEN	DISPOSITION
Ken Hill	<u>1</u>	<u><i>[Signature]</i></u>	<u>A</u>
Bill Sittmann	<u>2</u>	<u><i>[Signature]</i></u>	
Bob Gates	<u>3</u>	<u><i>[Signature]</i></u>	
Brent Scowcroft			
Bill Sittmann			
Situation Room			
West Wing Desk	<u>4</u>		<u>N</u>
NSC Secretariat	<u>5</u>	<u>Lms 11/30</u>	<u>R</u>

90 OCT 19 P 5: 28

A = Action

I = Information

D = Dispatch

R = Retain

N = No further Action

cc: VP

Sununu

Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

DISPATCH INSTRUCTIONS:

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~~CONFIDENTIAL~~

21178

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 19, 1990

ACTION

MEMORANDUM FOR ROBERT M. GATES

THROUGH: TIMOTHY E. DEAL *TD*

FROM: ERIC MELBY *EM*

SUBJECT: Summary of Conclusions of NSC DC Meeting
on Israeli Machine Tools

Deputy Natl Sec Advisor
has seen

Attached at Tab I is the Summary of Conclusions of the October 19
NSC DC meeting on Israeli machine tools.

RECOMMENDATION:

That you approve the Summary of Conclusions for the files.

Approve 8

Disapprove _____

Attachment

Tab I Summary of Conclusions

cc: David Welch

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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By DJL NARA, Date 04/07/2009

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Summary	Re: Summary of Conclusions of DC Meeting on Israeli Machine Tools (2 pp.)	10/19/1990	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009

OA/ID Number: 90017-008

FOIA/SYS Case #: 2003-0261-F

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

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

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

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

(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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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NSC/S PROFILE

RECORD ID: 9021172
RECEIVED: 18 OCT 90 15

TO: GATES

FROM: MELBY
DEAL

DOC DATE: 18 OCT 90
SOURCE REF:

KEYWORDS: ISRAEL
DC

AGENDA

PERSONS:

SUBJECT: BACKGROUND MATERIAL FOR DC MTG ON 19 OCT RE ISRAELI MACHINE TOOLS /
TALKING POINTS

ACTION: NOTED BY GATES

DUE DATE: 22 OCT 90

STATUS: C

STAFF OFFICER: MELBY

LOGREF: 9021133 9021163

FILES: IFM O

NSCP: DC214

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

DEAL
MELBY
NSC CHRON

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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By JSJ NARA, Date 04/07/2009

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

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CLOSED BY: NSAJC

DOC 1 OF 1

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~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9021172

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 GATES

Z 90102010 FOR INFORMATION

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X 90120411 NOTED BY GATES

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White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By DSZ NARA, Date 04/07/2009

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**National Security Council
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LOG # 21172

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BYPASSED WW DESK: _____

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Notes

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Ken Hill	<u>1</u>	<u>KH</u>	<u>A</u>
Bill Sittmann	<u>2</u>	<u>W</u>	
Bob Gates	<u>3</u>		
Brent Scowcroft			
Bill Sittmann			
Situation Room			
West Wing Desk	<u>4</u>		<u>N</u>
NSC Secretariat	<u>5</u>	<u>LMS 12/5</u>	<u>R</u>
_____	_____	_____	_____
_____	_____	_____	_____

A = Action	I = Information	D = Dispatch	R = Retain	N = No further Action
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cc. VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

DISPATCH INSTRUCTIONS:

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06a. List	Deputy Committee Meeting Friday, October 19, 1990 Re: Participants List (1 pp.)	10/19/1990	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed:	4/3/2009	OA/ID Number:	90017-008
FOIA/SYS Case #:	2003-0261-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

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

- 2117

DEPUTY COMMITTEE MEETING
FRIDAY, OCTOBER 19, 1990
11:00AM - 12:00NOON

WHITE HOUSE

Andy Card (Invited)
Robert Gates

OVP

Carnes Lord

NSC

Tim Deal

STATE

Richard McCormack	3/6/41
Janice Williams	9/10/51

TREASURY

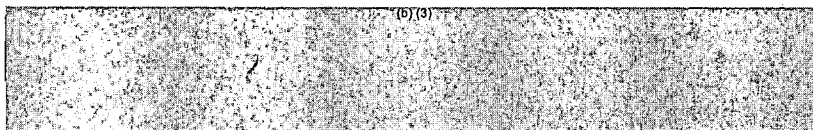
John Robson	(passholder)
William Barreda	8/8/41

DOD

Henry Rowen	10/11/25
David Tarbell	5/11/54

JCS

Howard Graves	8/15/39
Merrill Ruck	5/30/41



COMMERCE

J. Michael Farren	11/21/52
John Richards	3/17/41

USTR

S. Linn Williams	7/1/46
Peter Allgeier	4/17/47

OMB

William Diefenderfer
Robert Howard

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06b. Memo	Eric Melby through Timothy E. Deal to Robert Gates Re: NSC Deputies Committee Meeting On Israeli Machine Tools, 11 a.m., October 19, Situation Room (4 pp.)	10/18/1990	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or
financial information [(a)(4) of the PRA]
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and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

(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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06c. Talking Points	Re: Points to be made for NSC Deputies Committee Meeting on Israeli Machine Tools (2 pp.)	n.d.	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed:	4/3/2009	OA/ID Number:	90017-008
FOIA/SYS Case #:	2003-0261-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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

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(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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06d. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/17/1990	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

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]
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21163 add-on

Melby

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

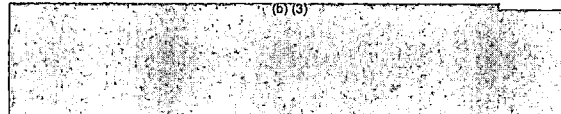
October 17, 1990

MEMORANDUM FOR

MR. J. STAPLETON ROY
Executive Secretary
Department of State

MR. DAVID A. WEISS
Executive Secretary
U.S. Trade Representative

MR. R. BLAIR DOWNING
Executive Secretary
Department of the Treasury



COL JOHN A. DUBIA
Executive Secretary
Department of Defense

COL GEORGE L. SUMRALL, JR.
Administrative Assistant to the
Chairman
Joint Chiefs of Staff

MR. MICHAEL P. SKARZYNSKI
Chief of Staff
Department of Commerce

SUBJECT: NSC Deputies Committee Meeting on Israeli Machine
Tools (U)

Attached at Tab A is a discussion paper for the NSC Deputies
Committee meeting on Israeli Machine tools at 11 a.m. on Friday,
October 19. (C)

William F. Sittmann
Executive Secretary

cc: Assistant to the President and Deputy to the Chief of Staff
Carnes Lord (OVP)

Attachment
Tab A Discussion Paper

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By DJL NARA, Date 04/02/2009

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Declassify on: OADR

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06e. Paper	Re: Israeli Machine Tools (5 pp.)	n.d.	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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MACHINING CENTERS

	Imports (units)							Import Penetration (percent)						
	1985	1986	1987	1988	1989	YTD-1989	YTD-1990	1985	1986	1987	1988	1989	Q1-1989	Q1-1990
All Country	4,188	4,037	2,971	2,949	3,876	1,762	1,749	81.80	84.02	78.08	62.73	66.38	62.68	72.09
Arrangement	3,973	3,687	2,622	2,309	2,742	1,236	1,092	77.60	76.73	68.91	49.12	46.96	44.69	45.20
Japan	3,735	3,261	2,283	2,107	2,569	1,167	1,008	72.95	67.87	60.00	44.82	44.00	42.67	42.06
Taiwan	238	426	339	202	173	69	84	4.65	8.87	8.91	4.30	2.96	2.02	3.14
Non-Arrangement	215	350	349	640	1,134	526	657	4.20	7.28	9.17	13.61	19.42	18.00	26.89
Fed Rep Germany	81	171	122	108	278	136	119	1.58	3.56	3.21	2.30	4.76	3.41	5.74
Switzerland	11	7	25	13	17	6	6	0.21	0.15	0.66	0.28	0.29	0.23	0.39
Brazil	0	1	2	0	1	0	1	0.00	0.02	0.05	0.00	0.02	0.00	0.00
Italy	10	3	21	7	59	48	10	0.20	0.06	0.55	0.15	1.01	0.23	0.31
Korea	10	3	11	43	52	41	39	0.20	0.06	0.29	0.91	0.89	0.93	0.79
Singapore	28	15	5	50	177	55	93	0.55	0.31	0.13	1.06	3.03	0.93	4.25
Spain	9	3	6	9	7	2	10	0.18	0.06	0.16	0.19	0.12	0.08	0.79
Sweden	8	22	24	13	11	5	0	0.16	0.46	0.63	0.28	0.19	0.16	0.00
United Kingdom	38	106	109	301	378	169	281	0.76	2.21	2.86	6.40	6.47	9.00	11.08
Austria	0	0	0	5	3	1	4	0.00	0.00	0.00	0.11	0.05	0.00	0.08
Israel	0	0	1	26	74	31	24	0.00	0.00	0.03	0.55	1.27	1.16	0.79
China	5	0	6	16	27	17	3	0.10	0.00	0.16	0.34	0.46	1.09	0.00

YTD (Year to Date) = January through June.

Source: U.S. Department of Commerce, Bureau of the Census.

Prepared by: U.S. Department of Commerce, Import Administration, Office of Agreements Compliance, (October 1990).

Official Census data corrected by OAC with U.S. Customs agreement for misclassifications of machining centers imported from Israel as non-NC milling machines in 1988 and 1989.

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21163 add-on

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 17, 1990

ACTION

MEMORANDUM FOR WILLIAM F. SITTMANN

THROUGH: TIMOTHY E. DEAL *TE*
FROM: ERIC MELBY *EM*
SUBJECT: Discussion Paper for NSC Deputies Committee
Meeting on Israeli Machine Tools

Attached at Tab I is a memorandum from you to the agencies forwarding a discussion paper for the October 19 NSC Deputies Committee Meeting on Israeli Machine Tools.

Concurrence by: David *W* Welch

RECOMMENDATION

That you sign the memorandum to the agencies at Tab I.

Attachments

Tab I Memo to the Agencies
Tab A Discussion Paper

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By 252 NARA, Date 01/07/2009

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Declassify on: OADR

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7

THE WHITE HOUSE

WASHINGTON

SYSTEM II
90391

May 21, 1986

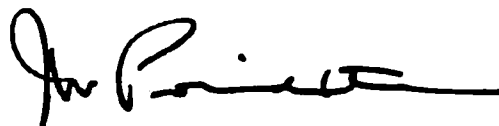
UNCLASSIFIED W/
CONFIDENTIAL ATTACHMENT

MEMORANDUM FOR 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 LABOR
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
UNITED STATES TRADE REPRESENTATIVE
CHAIRMAN, JOINT CHIEFS OF STAFF
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS

SUBJECT: Presidential Action on the Section 232 Machine
Tools Case (U)

The President's decision directive on this case is attached. (U)

FOR THE PRESIDENT:



John M. Poindexter

Attachment
NSDD-226

UNCLASSIFIED W/
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THE WHITE HOUSE

WASHINGTON

8
SYSTEM II
90391

NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 226

May 21, 1986

MACHINE TOOLS AND NATIONAL SECURITY (U)

Statement of Policy

It is the policy of the United States to maintain a broadly based deterrent against different types of conflict. In this regard, the U.S. defense industrial base is a critical component of conventional and strategic deterrence. (U)

Section 232 Study

On March 17, 1986, the Secretary of Commerce forwarded a report on the effect of machine tool imports on the national security that was prepared under Section 232 of the Trade Expansion Act of 1962, as amended. This study was based on current Administration national security policy and included analysis developed by an interagency task force. (U)

The Secretary of Commerce, in consultation with the Secretary of Defense and other relevant Administration officials, indicated that the machine tool industry is a small yet vital component of the U.S. defense base. The Secretary of Commerce further indicated that high levels of imports can erode U.S. capabilities to manufacture critical machine tool product lines. (U)

I have reviewed the Secretary of Commerce's report on the impact of imports of machine tools on the national security and considered the information on this issue presented at the National Security Council Meeting. (U)

Based on this information I have decided that the following course of action shall be implemented:

- A specific 232 finding will be delayed for six months.
- In six months time, based on how the U.S. domestic industry is performing and the nature of imports, a finding will be made. (U)
- Voluntary Restraint Agreements will be sought with Taiwan, West Germany, Japan and Switzerland on machining centers, numerically controlled (NC) lathes, non-NC lathes, non-NC punching and shearing, NC punching and shearing, and milling machines. A breakdown of the levels to be sought through discussion and consultation with the exporting countries are as follows (VRA levels are based on the percent of units shipped vis-a-vis the total U.S. market):

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-- Milling Machines - Seek reduction in supplies from Taiwan to 1981 levels; Japan to maintain 1985 level.

-- NC Lathes - Seek reduction in supplies from Japan to 1981 level; W. Germany and Taiwan to maintain 1985 levels.

-- Machining Centers - Seek reduction in supplies from Japan to 1981 level; Taiwan and W. Germany to maintain 1985 levels.

-- Non-NC Lathes - Seek reduction in supplies from Taiwan to 1981 level; Japan and W. Germany to maintain 1985 levels.

-- Non-NC Punching and Shearing - Seek reduction in supplies from W. Germany and Japan to 1981 levels.

-- NC Punching and Shearing - Seek reduction in supplies from Japan to 1981 levels; Switzerland and W. Germany to maintain 1985 levels. (e)

It is understood that the above guidance is subject to new information that may become available through discussions with exporters on the changing nature of imports or specific U.S. requirements for certain foreign machines that U.S. companies do not produce. (U)

The VRAs are to be sought for a three year period. The USG will retain the option to extend this period for two additional years based on U.S. industry performance and the nature of imports. (U)

Noting that a domestic machine tool industry has been and is of national importance to the United States defense capabilities and general economic well-being, the following steps will also be taken:

I. The Departments of Defense and Commerce in cooperation with other concerned Agencies will, in 90 days, forward an Action Plan to ensure a modern U.S. machine tool industry in support of national defense. The Action Plan is to include the following components:

1. A plan to integrate more fully U.S. machine tool manufacturers into the defense procurement process. This will require that companies receive more timely information on U.S. defense programs and future DOD manufacturing requirements. (U) ✓

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2. A program to modernize machine tool capabilities that support our national defense by:

A. Enabling U.S. machine tool companies to participate more effectively in manufacturing productivity programs (i.e., The Industrial Modernization Incentive Program). (U)

B. Developing the means whereby U.S. machine tool manufacturers can benefit through technology improvements via the MANTECH Program. (U)

C. Increasing participation by U.S. machine tool manufacturers in defense programs involving a high degree of advanced material processing. Technology transfer issues are to be assessed. (U)

3. The provision of up to \$5 million in Federal Government matching funds per year over the next three years for a private sector technology center, to help the machine tool industry make advances in manufacturing and design. (U) ✓

4. Measures to enhance domestic and foreign investment in the modernization of U.S. industry. (U) ✓

It is understood that the Action Plan and its components will be funded within currently approved budget levels (FY 87 Budget). (U)

II. The Attorney General, in consultation with the Departments of Defense and Commerce, will report in 90 days on the potential for cooperative research and development efforts on the part of industry. The negotiation of voluntary agreements and the utility of antitrust exemptions as provided under Section 708 of the Defense Production Act are to be explored. (U)

III. Actions I and II are designed to provide incentives for the domestic machine tool industry to make needed investments to improve its production base. The Secretary of Commerce, in coordination with other concerned Agencies, will monitor the U.S. machine tool industry's performance on an annual basis with emphasis on the steps it has taken to improve its production capabilities and competitive position. (U)

IV. The Secretary of Commerce, in consultation with concerned Agencies, will monitor machine tool trade and immediately report any unfair or predatory trade practices. (U)

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V. The United States Trade Representative, in close coordination with the Departments of State and Commerce, the Office of Management and Budget, and the National Security Council staff, will take the necessary steps to implement the VRAs. (U)

Ronald Reagan

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12
THE SECRETARY OF COMMERCE
Washington, D.C. 20095

Herr Martin Bangemann
Minister of Economics
Bonn

Dear Mr. Minister:

On May 28, 1986, President Reagan announced a major initiative to facilitate the revitalization of the domestic machine tool industry. At that time, the President decided to seek voluntary export restraint agreements with Japan, Taiwan, Switzerland and the Federal Republic of Germany. He also directed that a Domestic Action Plan be developed to facilitate the modernization of the U.S. machine tool industry.

The President's decision was based on a comprehensive review of the effect of machine tool imports on the U.S. national security. This review was conducted under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), which gives the President authority to adjust imports if he determines that they threaten to impair the national security.

Japan and Taiwan have agreed to restrain voluntarily the level of their machine tool exports to the United States for a period of five years beginning in January 1987.

During our discussions with your representatives during the past several months, the U.S. Government indicated that exports of certain machine tools from your country to the United States should not exceed the limits specified below for each of the next five years beginning in January 1987. Based on a market forecast to be developed using U.S. Government data, we will translate these market shares into the exact numbers of machine tools.

PRODUCT CATEGORY	MARKET SHARE
NC Punching and Shearing Machines	3.3%
Non-NC Punching and Shearing Machines	7.9%
Machining Centers	1.6%
NC Lathes	2.7%
Non-NC Lathes	3.4%

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7/21/2014 MM

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-2-

In the meetings with your representatives, the U.S. Government also discussed the possibility of periodically exchanging information regarding the Federal Republic of Germany's machine tool exports to the United States. Such exchanges should begin as soon as possible to meet the objectives of the President's program.

At the President's direction, the U.S. Department of Commerce and the U.S. Customs Service have initiated a program to monitor machine tool imports. Your government has indicated that exports from the Federal Republic of Germany are not likely to exceed the limits specified above. However, if we determine that your exports of these machine tools exceed these limits and undermine the integrity of the program, the President is prepared to take unilateral action under U.S. law.

Sincerely,


Secretary of Commerce


United States Trade Representative

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14
THE SECRETARY OF COMMERCE
Washington, DC 20503

His Excellency Kyung-Won Kim
Ambassador of Korea
Washington, DC 20008

DECLASSIFIED
PER E.O. 13526

2010-2175-MR
7/21/2014 MM

Dear Mr. Ambassador:

On May 20, 1986, President Reagan announced a major initiative to facilitate the revitalization of the domestic machine tool industry. At that time, the President decided to seek voluntary import restraint agreements with Japan, Taiwan, Switzerland and the Federal Republic of Germany. He also directed that a Domestic Action Plan be developed to facilitate the modernization of the U.S. machine tool industry.

The President's decision was based on a comprehensive review of the effect of machine tool imports on the U.S. national security. This review was conducted under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), which gives the President authority to adjust imports if he determines that they threaten to impair the national security.

Japan and Taiwan have agreed to restrain voluntarily the level of their machine tool exports to the United States for a period of five years beginning in January 1987. Specifically, Japan will limit its exports of machining centers, computer controlled and non-computer controlled lathes, computer controlled and non-computer controlled punching and shearing machines and milling machines. Taiwan will limit its exports of machining centers, computer controlled and non-computer controlled lathes and milling machines.

We have also advised the Federal Republic of Germany and Switzerland that their exports of certain categories of machine tools to the United States should not exceed specified limits. We indicated that the President is prepared to take unilateral action under U.S. law, if necessary. In this regard, the President has directed the Department of Commerce and the U.S. Customs Service to monitor machine tool imports to determine whether these limits are being exceeded, and to similarly monitor imports from all other major supplier countries.

If we determine that imports from your country are capturing an increased market share and undermining the integrity of the machine tool revitalization program, the President will take appropriate remedial action.

Sincerely,

Malcolm Baldrige
Secretary of Commerce

Clayton Yeutter
United States Trade Representative

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[Rules of Origin]

1. This Agreement shall apply to any article if:

(a) that article is wholly the growth, product, or manufacture of a party or is a new or different article of commerce that has been grown, produced, or manufactured in a Party;

(b) that article is imported directly from one Party into the other Party; and

(c) the sum of (i) the cost or value of the materials produced in the exporting Party, plus (ii) the direct costs of processing operations performed in the exporting Party is not less than 35 percent of the appraised value of the article at the time it is entered into the other Party.

2. No article shall be considered a new or different article of commerce under this Agreement and no material shall be eligible for inclusion as domestic content under this Agreement by virtue of having merely undergone (1) simple combining or packaging operations or (2) mere dilution with water or with another substance that does not materially alter the characteristics of the article or material.

3. For the purposes of this Agreement, the expression "wholly

the growth, product, or manufacture of a Party" refers both to any article which has been entirely grown, produced, or manufactured in a Party and to all materials incorporated in an article which have been entirely grown, produced, or manufactured in a Party, as distinguished from articles or materials imported into a Party from a non-participating country, whether or not such articles or materials were substantially transformed into new or different articles of commerce after their importation into the Party.

4. For the purposes of this Agreement, "country of origin" requires that an article or material, not wholly the growth, product, or manufacture, of a Party, be substantially transformed into a new and different article of commerce, having a new name, character, or use, distinct from the article or material from which it was so transformed.

5. For purposes of determining the 35 percent domestic content requirement under this Agreement, the cost or value of materials which are used in the production of an article in one Party, and which are products of the other Party, may be counted in an amount up to 15 percent of the appraised value of the article. Such materials must in fact be products of the importing Party under the country of origin criteria set forth in this Agreement.

6. (a) For the purposes of this Agreement, the cost or value of materials produced in a Party includes:

- (i) The manufacturer's actual cost for the materials;
 - (ii) When not included in the manufacturer's actual cost for the materials, the freight, insurance, packing, and all other costs incurred in transporting the materials to the manufacturer's plant;
 - (iii) The actual cost of waste or spoilage (material list), less the value of recoverable scrap; and
 - (iv) Taxes and/or duties imposed on the materials by a Party, provided they are not remitted upon exportation.
- (b) Where a material is provided to the manufacturer without charge, or at less than fair market value, its cost or value shall be determined by computing the sum of:
- (i) All expenses incurred in the growth, production, or manufacture of the material, including general expenses;
 - (ii) An amount for profit; and
 - (iii) Freight, insurance, packing, and all other costs incurred in transporting the material to the manufacturer's plant. If the pertinent information needed to compute the cost or value of a material is not available, the appraising officer may ascertain or estimate the value thereof using all reasonable ways and means

at his disposal.

7. For the purposes of this Agreement, direct costs of processing operations performed in a Party mean those costs either directly incurred in, or which can be reasonably allocated to, the growth, production, manufacture, or assembly, of the specific article under consideration. Such costs include, but are not limited to the following, to the extent that they are includible in the appraised value of articles imported into a Party:

- (a) all actual labor costs involved in the growth, production, manufacture, or assembly, of the specific article, including fringe benefits, on-the-job training, and the cost of engineering, supervisory, quality control, and similar personnel;
- (b) dies, molds, tooling and depreciation on machinery and equipment which are allocable to the specific article;
- (c) research, development, design, engineering, and blueprint costs insofar as they are allocable to the specific article; and
- (d) costs of inspecting and testing the specific article.

Those items that are not included as direct costs of processing operations are those which are not directly attributable to the articles under consideration or are not costs of manufacturing the product. These include, but are not limited to:

(i) profit; and

(ii) general expenses of doing business which are either not allocable to the specific article or are not related to the growth, production, manufacture, or assembly, of the article, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions, or expenses.

8. For the purposes of this Agreement, "imported directly" means:

(a) direct shipment from one Party into the other Party without passing through the territory of any intermediate country; or

(b) if shipment is through the territory of an intermediate country, the articles in the shipment do not enter into the commerce of any intermediate country and the invoices, bills of lading, and other shipping documents, show the other Party as the final destination; or

(c) if shipment is through an intermediate country and the invoices and other documents do not show the other Party as the final destination, then the articles in the shipment, upon arrival in that Party, are imported directly only if they

(i) remain under the control of the customs authority in an intermediate country;

(ii) do not enter into the commerce of an intermediate country except for the purpose of a sale other than at retail, provided that the articles are imported as a result of the original commercial transaction between the importer and the producer or the latter's sales agent;

(iii) have not been subjected to operations other than loading and unloading, and other activities necessary to preserve the article in good condition; and

(iv) comply with the origin requirements for articles exported to a Party from the other Party under this Agreement as stated in the documents required under the certification procedure.

9. All articles entered under this Agreement shall be documented by a certificate, specimens of which are given in the attachment to this Annex, signed by the exporter to be completed in accordance with the rules specified in the certificate. The certificate should contain sufficient information to identify the articles described on the certificate as the articles to be exported and a statement as to the percentage of value added in a Party and that the articles comply with the country of origin requirements set forth in this Agreement. The certificate will be presented to the Customs authorities of the importing Party in accordance with its internal regulations.

Notwithstanding the above, either Party may waive production of the certificate on a case by case basis for articles imported into such Party and for which the benefits of this Agreement are claimed, if the Party is otherwise satisfied that the imported articles comply with the country of origin requirements set forth in this Agreement.

The exporter or person signing the certificate of origin shall be prepared to submit a declaration setting forth all pertinent details, concerning the production or manufacture of the articles, which were used to prepare the certificate of origin. The information on the declaration should contain at least the following pertinent details:

A. a description of the article, quantity, numbers and marks of packages, invoice numbers, and bills of lading;

B. a description of the operations performed in the production of the article in a Party and identification of the direct costs of processing operations;

C. a description of any materials used in production of the article which are wholly the growth, product, or manufacture of either Party, and a statement as to the cost or value of such materials;

D. a description of the operations performed on, and a statement

as to the origin and cost or value of, any foreign materials used in the article which are claimed to have been sufficiently processed in a Party so as to be materials produced in that Party; and

E. a description of the origin and cost or value of any foreign materials used in the article which have not been substantially transformed in a Party.

This declaration shall be prepared and submitted upon request by a Party. A declaration should only be requested when a Party has reason to question the accuracy of the statements on a certificate of origin, or when a Party randomly verifies certificates of origin.

10. In order to further the administration of this Agreement, the Parties agree to assist each other in obtaining information for the purpose of reviewing transactions made under this Agreement in order to verify compliance with the conditions set forth in this Agreement.

11. The Parties will consult from time to time on the interpretation of these provisions and on practical problems which may arise with a view to prevent unnecessary barriers to trade which are inconsistent with the objectives of this Agreement. In this connection, amendments of the present rules could be proposed.

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PER E.O. 13526

2010-2175-MR
mm 10/17/2016

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DEPARTMENT OF COMMERCE

24

INCOMING
TELEGRAM

PAGE 01 OF 02

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22/17322

041782 DCA445

INFO: REV(01) 4500(01) 4520(01) 3131(01) 3340(01) OIL(01)
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FOR THE AMBASSADOR

E.O. 12356: DECL: OADR
TAGS: ETRD, TW, IS
SUBJECT: DEMARCHE ON MACHINE TOOLS

1. THIS IS AN ACTION MESSAGE.

2. ACTION REQUESTED: THE AMBASSADOR IS REQUESTED TO CALL ON TRADE AND INDUSTRY MINISTER MOSHE NISSIM AT THE EARLIEST POSSIBLE DATE, PREFERABLY SUNDAY, TO URGE THE ISRAELI GOVERNMENT NOT TO PURSUE DISPUTE SETTLEMENT ON MACHINE TOOLS UNDER THE FREE TRADE AREA AGREEMENT. REQUEST THE AMBASSADOR DELIVER A LETTER FROM U.S. TRADE REPRESENTATIVE CARLA A. HILLS (TEXT AT PARA 3) AND MAKE THE POINTS CONTAINED IN PARAS 9 THROUGH 12. WASHINGTON AGENCIES REGRET THE NECESSARY URGENCY OF THIS REQUEST.

3. USTR HILLS LETTER TO NISSIM

NOTE: SIGNED ORIGINAL TO FOLLOW.

DEAR MR. MINISTER:

I WANT TO BRING TO YOUR ATTENTION A MATTER WHICH HAS ARISEN UNDER THE U.S.-ISRAEL FREE TRADE AREA AGREEMENT (FTAA). IT CONCERNS A DISPUTE OVER U.S. TREATMENT OF CERTAIN MACHINE TOOL EXPORTS FROM ISRAEL WHICH CONTAIN SUBSTANTIAL TAIWANESE CONTENT.

BRIEFLY, YOUR GOVERNMENT HAS REQUESTED USE OF THE DISPUTE RESOLUTION PROCEDURES -- THEIR FIRST USE -- UNDER THE FTAA TO ARGUE THAT THE UNITED STATES SHOULD PERMIT UNRESTRICTED ENTRY FOR CERTAIN MACHINE TOOLS EXPORTED FROM ISRAEL. WE CONSIDER THESE MACHINES TO BE TAIWANESE FOR THE PURPOSES OF THE U.S.-TAIWAN VOLUNTARY RESTRAINT AGREEMENT (VRA). WE USE THE SAME CRITERIA TO DETERMINE STATUS UNDER THE VRA WHEN EVALUATING MACHINE TOOLS BUILT IN THE UNITED STATES FROM TAIWANESE COMPONENTS.

AS YOU MAY KNOW, THE VRAS WITH TAIWAN AND WITH JAPAN WERE NEGOTIATED BY THE UNITED STATES AFTER AN EXHAUSTIVE INVESTIGATION CONCLUDED THAT HIGH IMPORT PENETRATION HAD SO SERIOUSLY ERODED OUR INDUSTRY'S CAPABILITY THAT PRESIDENT REAGAN WAS CONCERNED THE MACHINE TOOL INDUSTRY COULD NOT RESPOND ADEQUATELY TO U.S. NATIONAL SECURITY NEEDS.

THE TAIWANESE COMPANIES WITH WHICH THE ISRAELI FIRM HAS BEEN DEALING ARE NOTORIOUS FOR THEIR EFFORTS TO EVADE THE U.S.-TAIWAN VRA. THE APPEARANCE OF THE ISRAELI GOVERNMENT ACTING ON THEIR BEHALF WILL TROUBLE MANY IN THE UNITED STATES. IT MAY ALSO SUGGEST TO SOME THAT THE FTAA IS BEING USED MORE TO HELP FOREIGN FIRMS CIRCUMVENT A

U.S. NATIONAL SECURITY PROGRAM AND U.S. TRADE LAWS THAN TO ENCOURAGE GREATER BILATERAL TRADE BETWEEN OUR TWO COUNTRIES. WE ARE NOT OPPOSED TO USING THE DISPUTE RESOLUTION MECHANISM OF THE FTAA, BUT WE REGRET SEEING ITS FIRST USE ON A CASE OF CIRCUMVENTION OF A PROGRAM IMPLEMENTED FOR OUR NATIONAL SECURITY.

I UNDERSTAND THAT, SUBSEQUENT TO A RECENT U.S.-TAIWAN MEETING, SHIPMENTS OF COMPONENTS FROM THE CURRENT TAIWANESE SUPPLIER, WHICH HAD BEEN CUT OFF BY THE TAIWANESE AUTHORITIES BECAUSE OF THE FIRM'S ATTEMPT TO CIRCUMVENT OUR VRA, HAVE RESUMED TO THE AFFECTED ISRAELI FIRM. I HAVE BEEN FURTHER INFORMED THAT THE ISRAELI FIRM CAN MEET THE CRITERIA WE HAVE ESTABLISHED IN THE U.S.-TAIWAN ARRANGEMENT, THEREBY GUARANTEEING THAT THEIR MACHINE TOOL EXPORTS WOULD NOT BE SUBJECT TO THE U.S.-TAIWAN VRA.

I ENCOURAGE YOUR GOVERNMENT TO RECONSIDER ITS DECISION IN THIS MATTER.

SINCERELY, CARLA A. HILLS,
UNITED STATES TRADE REPRESENTATIVE

(ADDRESS)
THE HONORABLE
MOSHE NISSIM
MINISTRY OF INDUSTRY AND TRADE
ISRAEL.

4. FOR POST BACKGROUND, ISRAEL HAS INITIATED DISPUTE SETTLEMENT PROCEDURES UNDER THE U.S.-ISRAEL FREE TRADE AREA AGREEMENT (FTAA) OVER U.S. TREATMENT OF EXPORTS OF MACHINE TOOLS FROM ISRAEL WHICH ORIGINATED IN TAIWAN. ISRAEL IS SCHEDULED TO MAKE ITS INITIAL SUBMISSION TO THE DISPUTE SETTLEMENT PANEL BY SEPTEMBER 24. AN INTERAGENCY GROUP RECOMMENDED THAT THE USG URGE THE ISRAELI GOVERNMENT NOT TO PURSUE DISPUTE SETTLEMENT IN THIS CASE.

5. THE U.S. GOVERNMENT MADE A DECISION TO COUNT SPECIFIC CATEGORIES OF TAIWAN MACHINE TOOLS TRANSSHIPPED THROUGH ISRAEL TO THE UNITED STATES AGAINST THE CEILING APPLICABLE UNDER THE U.S.-TAIWAN VOLUNTARY RESTRAINT AGREEMENT (VRA). WHILE THESE MACHINE TOOLS ARE COVERED BY THE VRA IF THEY ARE RE-EXPORTED TO THE UNITED STATES, THEY ALSO QUALIFY FOR DUTY-FREE IMPORTATION AS ISRAELI PRODUCTS UNDER THE FTAA'S VALUE ADDED CRITERION, WHICH REQUIRES THAT A PRODUCT HAVE 35 PERCENT U.S. OR ISRAELI VALUE ADDED. WE NOTE NOW, HOWEVER, THAT THE AFFECTED ISRAELI FIRM HAS SAID THAT IT COULD MEET THE CRITERIA SET IN THE U.S.-TAIWAN ARRANGEMENT, THEREBY GUARANTEEING THAT ITS MACHINE TOOL EXPORTS WOULD BE "ISRAELI" AND NOT SUBJECT TO ANOTHER NATION'S QUANTITATIVE RESTRICTIONS.

6. ISRAEL'S POSITION IS THAT ONCE THE 35 PERCENT VALUE-ADDED CRITERION IS MET, THE TOOLS SHOULD COME INTO THE UNITED STATES WITHOUT RESTRAINT. IN ISRAEL'S VIEW, OUR COUNTING THE TOOLS AGAINST THE TAIWAN VRA HAS THE INDIRECT EFFECT OF RESTRICTING MACHINE TOOL EXPORTS FROM TAIWAN TO ISRAEL AND, THEREFORE, RESTRICTING THE RE-EXPORT OF TOOLS TO THE UNITED STATES. FURTHERMORE, IN SOME GOV OFFICIALS' EYES, THIS IS A MATTER OF PRINCIPLE AS TO WHETHER THE U.S.-ISRAEL FTAA OR THE U.S.-TAIWAN VRA TAKES PRECEDENCE. FOR THE RECORD, THE UNITED STATES HAS NEVER

DENIED ENTRY TO ANY MACHINE TOOL IMPORTED FROM ISRAEL

7. SINCE THE OUTCOME OF ANY DISPUTE SETTLEMENT PROCEEDING

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INCOMING
TELEGRAM

~~CONFIDENTIAL~~
DEPARTMENT OF COMMERCE

PAGE 02 OF 02

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IS UNCERTAIN, THE USG WILL HAVE TO WEIGH CAREFULLY HOW TO PROCEED. IF THE ISRAELI GOVERNMENT DOES NOT WITHDRAW ITS CASE AGAINST THE USG, WE WILL HAVE TO CHOOSE AMONG THREE OPTIONS: (1) LET THE DISPUTE SETTLEMENT PROCESS RUN ITS COURSE; (2) INVOKe THE NATIONAL SECURITY CLAUSE IN THE FTAA; OR (3) NEGOTIATE AN INCREASE IN THE TAIWAN VRA CEILING OR A MACHINE TOOL VRA WITH ISRAEL.

8. MACHINE TOOL IMPORTS INTO THE UNITED STATES HAVE RECEIVED CONGRESSIONAL SCRUTINY OF LATE: A GAO STUDY PREPARED AT THE REQUEST OF REPRESENTATIVE HELEN DELICH BENTLEY (R-MD) FOCUSED ON A FINDING THAT THE ADMINISTRATION WAS NOT ADEQUATELY ENFORCING THE MACHINE TOOL VRAS. IT IS IMPORTANT TO SHOW CONGRESS AS WELL AS THE ISRAELIS THAT WE INTEND TO ENFORCE VRAS AND THAT CIRCUMVENTION WILL NOT BE ALLOWED TO CONTINUE.

TALKING POINTS

9. YOUR GOVERNMENT HAS REQUESTED THE FIRST USE OF THE DISPUTE SETTLEMENT PROCEDURE OF THE U.S.-ISRAEL FREE TRADE AREA AGREEMENT TO MAKE THE CASE THAT THE UNITED STATES SHOULD PERMIT FREE ENTRY TO CERTAIN MACHINE TOOLS EXPORTED FROM ISRAEL.

10. WE CONSIDER THESE IMPORTED MACHINES TO BE COVERED UNDER THE U.S.-TAIWAN VOLUNTARY RESTRAINT AGREEMENT (VRA). AS YOU MAY KNOW, VRAS WITH TAIWAN AND WITH JAPAN WERE NEGOTIATED BECAUSE IMPORT PENETRATION HAD SO ERODED OUR INDUSTRY'S CAPABILITY THAT WE WERE CONCERNED THAT IT COULD POSE A THREAT TO NATIONAL SECURITY.

11. THE POSITION OF THE U.S. GOVERNMENT IS THAT THE TAIWAN COMPANIES WITH WHICH THE ISRAELI FIRM HAS BEEN DEALING ARE USING ISRAEL TO EVADE THE U.S.-TAIWAN VRA. THE APPEARANCE OF THE ISRAELI GOVERNMENT'S APPARENTLY ARGUING ON THOSE COMPANIES' BEHALF -- IN CIRCUMVENTION OF A U.S. NATIONAL SECURITY PROGRAM -- WILL TROUBLE MANY IN THE UNITED STATES.

12. GIVEN THE NATIONAL SECURITY ORIGINS OF OUR MACHINE TOOL PROGRAM, I HOPE THAT YOUR GOVERNMENT WILL RECONSIDER ITS DECISION TO PURSUE THIS CASE. BAKER

BT

#3264

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NSC DEPUTIES COMMITTEE MEETING

DATE: October 19, 1990
LOCATION: White House Situation Room
TIME: 11:00 A.M.-12:00 NOON

ISRAELI MACHINE TOOLS

Agenda

- I. Introduction Mr. Gates
- II. Key Elements Department of Commerce
- III. Discussion All Participants
- IV. Summary Mr. Gates

DECLASSIFIED

White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By DJL NARA, Date 04/07/2009

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

United States Senate

WASHINGTON, DC 20510-4902

October 17, 1990

Lt. Gen. Brent Scowcroft
Assistant to the President
National Security Council
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Brent:

I was one of the major proponents of the U.S.-Israel Free Trade Agreement. I continue to believe that our FTA with Israel was wise not only for our bilateral relationship with Israel but from the point of view of our overall trade policy.

That is why I am so concerned when I hear that the Taiwanese are attempting to exploit the U.S.-Israel FTA as a way of circumventing their Machine Tool Voluntary Restraint Agreement with us. It is my understanding that Taiwan has been using Israel as a conduit for machining centers that exceed their 200-machine quota under the VRA to which they agreed in 1986.

Israel is one of our closest allies. I am sure they will be sensitive to the fact that the VRA with Taiwan was established by President Reagan under Section 232 of the Trade Act of 1962 because of his desire to protect U.S. emergency mobilization capability and the health of our defense-industrial base.

I urge you, therefore, to remind your Israeli counterparts of the importance of the VRA to our mobilization plans and to reject the argument that this is a trade dispute that should be handled under the normal dispute resolution mechanisms.

Best regards,



Robert W. Kasten, Jr.

RWK/jts

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9021133
RECEIVED: 10 OCT 90 09

TO: GATES

FROM: MELBY
DEAL

DOC DATE: 10 OCT 90
SOURCE REF:

KEYWORDS: ISRAEL
EXPORT CONTROLS

TECHNOLOGY TRANSFERS
DC

PERSONS:

SUBJECT: REQUEST FOR DC MTG RE ISRAEL MACHINE TOOLS

ACTION: GATES APPROVED RECOM

DUE DATE: 07 DEC 90

STATUS: C

STAFF OFFICER: MELBY

LOGREF: 9021163 9021172

FILES: IFM O

NSCP: DC214

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

DEAL
MELBY
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSAJC

CLOSED BY: NSAJC

DOC 1 OF 1

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 9021133

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 GATES	Z	90101013 FOR DECISION
001	X	90103012 ACTION COMPLETED PER MELBY
001	X	90103012 ORIGINAL NOT RETURNED TO NSC/S
001	X	90120411 GATES APPROVED RECOM

UNCLASSIFIED

Proposed Deputies — Israel
Machine Tool

National Security Council
The White House

PROOFED BY: AK

LOG # 21133

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOG AK A/O _____

SEQUENCE TO

HAS SEEN

DISPOSITION

Ken Hill

Bill Sittmann

Bob Gates

Brent Scowcroft

Bill Sittmann

Situation Room

West Wing Desk

NSC Secretariat

90 OCT 10 P12:31

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A

N

R

A = Action

I = Information

D = Dispatch

R = Retain

N = No further Action

cc: VP

Sununu

Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

DISPATCH INSTRUCTIONS:

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

October 9, 1990

Handwritten:
Dad.
Foot
10 Oct
1100ACTION

MEMORANDUM FOR ROBERT GATES

THROUGH: TIMOTHY E. DEAL *J*

FROM: ERIC MELBY *M*

SUBJECT: Israeli Machine Tool Exports to the U.S.:
Request for Deputies Meeting

Red stamp:
Deputy Natl Sec Advisor
has seen

We are engaged in a dispute with Israel over shipment of Taiwan-origin machine tools into the U.S. These machine tools, if exported directly from Taiwan, would be covered under an existing Voluntary Restraint Agreement (VRA) we have with Taiwan, pursuant to a 1986 decision by President Reagan. The President, in accepting the Secretary of Commerce's determination that the machine tool industry is a small but vital component of the U.S. defense base, directed that VRAs be set up with a number of countries to protect U.S. national security (NSDD-226).

The machines in question have been shipped to Israel, modified to comply with provisions of the U.S.-Israel Free Trade Agreement, and shipped duty free to the U.S. In January 1990, the Trade Policy Review Group (TPRG) decided the Israeli exports should be counted against Taiwan's ceiling as they were undermining the intent of the VRA program. Israel claims the action is contrary to the U.S.-Israel FTA and has requested dispute settlement in accordance with our bilateral agreement.

Commerce believes the shipments are an open attempt to circumvent the limits under the Taiwan VRA and that this will cause the entire machine tool VRA program to unravel. Consequently, it wants the U.S. to deny entry of the Israeli shipments. USTR believes Israel is simply taking advantage of legitimate opportunities under the FTA and that the national security threat is debatable. It prefers that the U.S. take up an Israeli offer to negotiate a settlement.

At the end of an inconclusive interagency meeting on October 5, Deputy USTR Linn Williams and Commerce Under Secretary Michael Farren asked that the NSC staff help resolve whether or not the Israeli exports undermine the VRA program. State and DOD, which have yet to take a position, supported bucking the issue to the NSC.

There is no appropriate PCC in which to discuss the issue. Moreover, the issue has been debated several times at the Under Secretary level. We recommend, therefore, that you chair a Deputies Committee meeting to resolve the interagency dispute. The alternative would be to turn the issue over to the EPC, but the key concerned agencies represented on the TPRG do not believe that the EPC should be involved in view of the clear national security origins of the machine tool VRA program. Commerce is preparing a paper setting out the agreed facts.

Concurrences by: David Welch and Doug Paul

RECOMMENDATION

That you agree to chair a Deputies Committee meeting, to be scheduled upon completion of the Commerce-drafted discussion paper.

Approve

8

Disapprove

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08a. List	Deputy Committee Meeting Friday, October 19, 1990 Re: Participants List (1 pp.)	10/19/1990	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

(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

DC 019

DEPUTY COMMITTEE MEETING
FRIDAY, OCTOBER 19, 1990
11:00AM - 12:00NOON

WHITE HOUSE

Andy Card (Invited)
Robert Gates

OVP

Carnes Lord

NSC

Tim Deal

STATE

Richard McCormack	3/6/41
Janice Williams	9/10/51

TREASURY

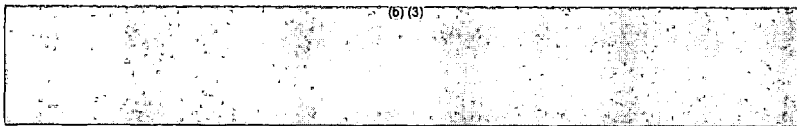
John Robson	(passholder)
William Barreda	8/8/41

DOD

Henry Rowen	10/11/25
David Tarbell	5/11/54

JCS

Howard Graves	8/15/39
Merrill Ruck	5/30/41



COMMERCE

J. Michael Farren	11/21/52
John Richards	3/17/41

USTR

S. Linn Williams	7/1/46
Peter Allgeier	4/17/47

OMB

William Diefenderfer

~~Robert Howard~~

Philip R. Bauer

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08b. Memo	William F. Sittmann to Mr. J. Stapleton Roy, et.al. Re: NSC Deputies Committee Meeting on Israeli Machine Tools (1 pp.)	10/16/1990	(b)(3)	

Collection:

Record Group: Bush Presidential Records

Office: National Security Council

Series: H-Files

Subseries: NSC/DC Meetings Files

WHORM Cat.:

File Location: NSC/DC 214 - October 19, 1990 - NSC/DC Meeting on Israeli Machine Tools, Keywords: Israel Technology Transfers

Date Closed: 4/3/2009	OA/ID Number: 90017-008
FOIA/SYS Case #: 2003-0261-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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PRM. Removed as a personal record misfile.

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(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

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21163

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

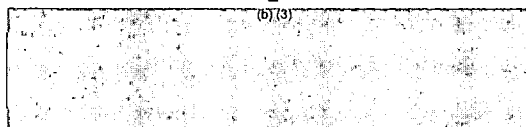
October 16, 1990

MEMORANDUM FOR

MR. J. STAPLETON ROY
Executive Secretary
Department of State

MR. DAVID A. WEISS
Executive Secretary
U.S. Trade Representative

MR. R. BLAIR DOWNING
Executive Secretary
Department of the Treasury



COL JOHN A. DUBIA
Executive Secretary
Department of Defense

COL GEORGE L. SUMRALL, JR.
Administrative Assistant to the
Chairman
Joint Chiefs of Staff

MR. MICHAEL P. SKARZYNSKI
Chief of Staff
Department of Commerce

SUBJECT: NSC Deputies Committee Meeting on Israeli Machine
Tools (U)

There will be an NSC Deputies Committee meeting on Israeli
Machine Tools at 11 a.m. on Friday, October 19, in the White
House Situation Room. An agenda is attached (Tab A). A
discussion paper will be circulated separately. (C)

Attendance will principals plus one. (U)

William F. Sittmann
Executive Secretary

cc: Assistant to the President and Deputy to the Chief of Staff

Attachment
Tab A Agenda

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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By 202 NARA, Date 04/07/2009

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Declassify on: OADR

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