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Committee for National Security Meeting Minutes, 11/19/99

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EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SCIENCE AND TECHNOLOGY COUNCIL
WASHINGTON, D C. 20502

NSTC COMMITTEE ON NATIONAL SECURITY

Minutes of the November 19, 1999, Meeting

The Committee on National Security (CNS) held its twentieth meeting on November 19, 1999. The Principals who attended the meeting are listed below:

Dr. Jacques Gansler, Co-Chair	Under Secretary of Defense (Acquisition, Technology, and Logistics)
Mr. Bruce MacDonald, Co-Chair	Assistant Director for National Security, White House Office of Science & Technology Policy (OSTP)
Mr. William Reinsch	Under Secretary of Commerce for Export Administration
Dr. James Burris	Deputy Chief, Research and Development, Veterans Affairs
Gen (Ret) John Dailey	Associate Deputy Administrator, National Aeronautics and Space Administration
Mr. James Devine	Senior Advisor for Science Applications, U.S. Geological Survey, Department of the Interior
Dr. Douglas Elmendorf	Deputy Assistant Secretary for Micro Economic Analysis, Department of the Treasury
Ms. Rose Gottenmoeller	Director, Office of Nonproliferation and National Security, Department of Energy
RADM J. A. Kinghorn	Director, Office of Intelligence and Security, Department of Transportation
Mr. Robert Knouss	Director, Office of Emergency Planning, Department of Health and Human Services
Dr. Peter Zimmerman	Science Advisor to the Under Secretary, Arms Control Bureau, Department of State

The primary purposes of the meeting were to receive an update on the U.K. Ministry of Defence (MOD) plan to privatize the Defence Evaluation and Research Agency (DERA), and to receive status reports on the activities of the Nonproliferation and Arms Control Technology Working Group (NPAC TWG), Critical Infrastructure Protection (CIP) R&D Interagency Working Group (IWG), the International Technology Transfer Issues and Policy (ITTIP) Interagency Working Group, and the Weapons of Mass Destruction Preparedness (WMDP) Research and Development Subgroup. The meeting agenda is attached.

I. INTRODUCTION

Mr. Bruce MacDonald, CNS co-chair, opened the meeting. He indicated that this would be his last meeting given that he is leaving the government for the private sector.

II. UNITED KINGDOM R&D PRIVATIZATION

Mr. MacDonald introduced Dr. Delores Etter, Deputy Under Secretary for Defense Research and Engineering, who briefed the CNS on the Ministry of Defence (MOD) proposal to privatize the majority of DERA in what is called the "Reliance" model. Current DERA strength is some 12,000 personnel, most of whom would be privatized under this model. The MOD would retain a few key units (e.g., the chemical-biological program at Porton Down). The privatized personnel would work as a private firm and compete for contracts. A complex "Compliance Regime" has been proposed to safeguard proprietary information. Potential conflict-of-interest issues have been raised.

Since early May 1999, U.S. and U.K. officials have been discussing the implications of such a reorganization for U.S./U.K. defense R&D cooperation agreements. The primary issues include:

- Whether and how the U.S. government could negotiate with a private entity on a government-to-government basis (given the existing R&D cooperative agreements between the U.S. government agencies and DERA),
- Conflicting commercial and government interests,
- Potential for some private sector employees to also act as government officials,
- Level of retained scientific capability,
- Security risk (including intellectual property rights), and
- Efficacy of compliance regime.

The U.K. Minister (Defence Procurement) will brief the results of the consultations on December 20, 1999.

III. CURRENT EFFORTS

A. Nonproliferation and Arms Control Technology Working Group

Mr. MacDonald introduced Ms. Sallie Mullen from the Department of State. Ms. Mullen provided an update of the activities of the NPAC TWG. She noted that the group's basic principles are information sharing and cooperation to avoid duplication. As of 1998, the TWG was coordinating 280 programs, totaling approximately \$700 million, in various departments and agencies. The NPAC TWG's next report in the spring of 2000 will include the FY1999 data.

Ms. Mullen introduced Dr. Anna Johnson-Winegar, the new DoD Co-Chair. With a change in group chairs, the Spectral Sensing and CW Focus Groups have been rejuvenated. The Landmine and R&D Database Focus Groups have become inactive.

The Deutch Commission was also concerned about the limited outreach to the private sector. As a result, Ms. Mullen was considering methods for linking key technology coordinators in the government with the private sector and academia in a virtual technology fair. She will report on this initiative next year.

The 1999 NPAC TWG symposium was held on 20-21 October and had 325 attendees. Given the positive response from the participants, the NPAC TWG is considering holding longer workshops to allow greater dialog. The Unattended Remote Sensors Focus Group has had difficulties coordinating programs given the lack of common architectures, family of delivery systems, and database of available sensors. Ms. Mullen will ask the group chair to develop a proposal for a common architecture and family of delivery systems for presentation to the CNS.

B. Critical Infrastructure Protection R&D Interagency Working Group

Mr. MacDonald introduced Dr. Steven Rinaldi from the CIP R&D IWG. Dr. Rinaldi began by reviewing the IWG's accomplishments. The group completed the baseline of FY2000 and FY2001 ongoing programs. It developed and prioritized new-start program options for FY2001 based upon vulnerabilities and research gaps and shortfalls. An FY2001 decision document distributed earlier this year posed three questions about these program options:

- Is the menu of programs proposed by the IWG sufficiently inclusive? The agency consensus was yes.
- Are the proposed funding wedges and priorities appropriate, given the guidance of PDD-63? The consensus was again yes.
- What funding wedge is the most appropriate? There was no consensus; various agencies supported each of the three spending options.

The IWG will soon begin its planning process for the FY2002 R&D agenda: developing program options for agency FY2002 budgets, monitoring ongoing programs, coordinating with the private sector and academia, and planning and supporting workshops on crosscutting CIP-related themes.

Institute for Information Infrastructure Protection

Dr. Rinaldi discussed one new CIP R&D IWG initiative for FY2001: the establishment of an Institute for Information Infrastructure Protection, originally proposed by the President's Committee of Advisors on Science and Technology (PCAST) in December 1998. A detailed Administration study of the concept found that the private

sector would support such a public-private institute. OSTP and PCAST hosted a meeting with 15 private sector chief technology officers (CTOs) of leading information technology firms on October 27, 1999. The CTOs supported the Institute concept. However, the meeting participants did not come to a consensus view on the best organizational structure for the Institute. The primary concerns with placing the Institute in the government are that it would take on the views of the agency to which it was assigned, would potentially lose the broad focus it would need to have, and would have its flexibility restricted by government procurement and contracting procedures.

The general conclusions from the CTO meeting were that the Institute should:

- Start modestly with a focus on defining an R&D roadmap.
- Concentrate on fundamental research that the private sector has no incentive to perform.
- Develop and manage testbeds.
- Address infrastructure interdependencies.

The PCAST Security Panel will review the study results and forward recommendations to OSTP and the National Security Council, which will in turn make recommendations to the President. OSTP will brief congressional staff on the study results as appropriate.

Potential Research Staffing Problems. At its last meeting, CNS directed the CIP R&D IWG to examine the potential problem of insufficient researchers to meet the challenge of critical infrastructure protection R&D. This shortage is in part the result of students, faculty, and other researchers – including those in DOE national laboratories – being lured out of research and into more operational roles in private industry by higher salaries.

Several CNS Principals questioned the scope of the problem presented. With the rapid evolution of technology, many graduate students are being taught by professors who may be out of touch with the current state of the art. Persons with bachelor's degrees are obtaining hands-on training in the private sector, including in technologies of interest to CIP (e.g., information assurance). The Principals directed the IWG to examine these issues and report back at the next meeting.

C. International Technology Transfer Issues and Policy Interagency Working Group

Mr. MacDonald introduced Dr. Gerald Hane, the OSTP chair of the ITTIP IWG. Dr. Hane provided an update of IWG's activities.

Case Study on Federal Laboratory International Technology Transfer. The IWG is developing a draft Executive Order, which should be ready for CNS review early

next year. The Department of Commerce is gathering additional data on agency practices so that the Executive Order can address improvements within the agencies.

Case Study on Internationalization of SEMATECH. This case study is essentially completed. The IWG's analyses concluded that data created prior to internationalization are receiving adequate protection. There is concern about the protection of future results of U.S. government-funded research given the consortium's international membership. The IWG will monitor SEMATECH to observe what happens in this area.

Case Study on Rocket Motor Casings. The IWG has not been able to finalize the study report because of different views of the case history. The Department of State (DOS) has not provided comments on this case. Key issues include timelines of decisions, transparency of the process, interagency consultations, and consideration of similar technologies available from other countries. At the time when agencies first addressed this case, they had no forum to present and reconcile differing views. The ITTIP IWG suggested that it serve this purpose in the future when necessary.

Case Study on M-109 Howitzer Technology Transfer. The IWG has experienced difficulty in gaining consensus on the draft study given the differing views on the case history and the lack of participation by DOS. The controversy is over the extent of oversight regarding foreign partner adherence to U.S. technology transfer/reexport conditions and the impact on U.S. firms. Some of the agencies had been frustrated because there was no forum to present their concerns. The ITTIP IWG could provide such a forum.

The four case studies have revealed a variety of best practices and opportunities for improving international technology transfer. The principal weaknesses identified by the studies are internal management of established guidelines and poor interagency consultation. The IWG believes that conducting additional case studies would be of limited value. Dr. Hane recommended that the IWG become a vehicle for addressing interagency concerns regarding specific future cases of international technology transfer. A request by a CNS Principal would trigger such a review.

Mr. Reinsch agreed with the IWG recommendation that conducting additional case studies would be of limited value. He recommended that CNS direct the IWG participants to complete the rocket motor and M-109 howitzer studies. He also recommended that the IWG develop a paper for the CNS recounting the best practices from the case studies. He agreed with the need for a mechanism to address divergent views in future technology transfer cases but questioned whether the IWG was the proper forum. He suggested that the CNS discuss this again at its next meeting. Dr. Hane pointed out that the IWG would collect data, which would be presented to the CNS for further action as appropriate. The Principals concurred with Mr. Reinsch's recommendations.

E. Weapons of Mass Destruction Preparedness Research and Development Subgroup

Mr. MacDonald introduced Dr. Gerald Epstein from the WMDP R&D Subgroup. Dr. Epstein explained that this group is following a process similar to that of the CIP R&D IWG except that it is about a year behind the CIP R&D IWG. The subgroup developed R&D program options in the following categories: medical R&D; nonmedical R&D, including physical protection, detection, and decontamination; modeling, simulation, and architecture; agriculture; and telecommunications interoperability. The baseline funding of R&D programs in these areas specifically devoted to WMD preparedness totaled approximately \$287 million. The IWG also developed a set of potential program enhancements totaling \$661 million. This set of programs was briefed to the WMDP panel in October. This interagency subgroup has completed its FY2001 R&D agenda and is now monitoring the budget deliberations.

The subgroup's analyses include developing a list of vulnerabilities and shortfalls in our WMD response, compiling a database of programs that are already underway to satisfy those concerns, and identifying R&D tasks that would help address remaining shortfalls. During the next year, the subgroup will refine its document with a more up-to-date list of objectives and a more complete list of participating agencies.

IV. OTHER BUSINESS

Mr. MacDonald thanked the agencies participating in the CIP IWG and the WMDP R&D subpanel for their significant contributions.

In response to the Deutch Commission report, Mr. MacDonald recommended that the CNS direct that representatives of the NPAC TWG, CPRC, the Technical Support Working Group (TSWG) and the WMDP R&D Subgroup meet quarterly to improve coordination. The coordination meetings should take place before each CNS meeting so that a coordinated view can be presented to the CNS. The Principals agreed with his suggestion.

V. ACTION ITEMS

Four items were identified for action:

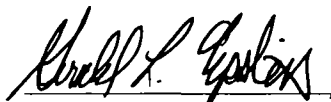
- The CIP R&D IWG will reexamine the problem of insufficient numbers of qualified CIP research personnel and report back at the next meeting.
- The ITTIP IWG should complete the last two case studies.
- The ITTIP IWG should develop a paper on the best practices identified in the four case studies for presentation at the next meeting.

- Representatives of the NPAC TWG, CPRC, and WMDP R&D Subgroup should meet quarterly to coordinate their activities and report results of their meetings at each CNS meeting.

VI. CLOSING REMARKS

The Principals agreed that the next CNS meeting should be in March 2000.
Mr. MacDonald adjourned the meeting.

Dr. Jacques Gansler, Co-Chair (date)

 , for BWM 4/7/2000

Mr. Bruce MacDonald, Co-Chair (date)

Attachment:
Meeting Agenda