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THE PRESIDENT HAS SEEN 3. 9.54

SIGNED

THE WHITE HOUSE

94 MAR 9 All: 17

WASHINGTON

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March 3, 1994

ACTION

FROM:

MEMORANDUM FOR THE PRESIDENT

SAMUEL R. BERGER

SUBJECT:

US Policy on Foreign Access to Remote Sensing

Space Capabilities

Purpose

To approve a Presidential Decision Directive on US policy on foreign access to remote sensing space capabilities.

Background

The attached PDD represents a significant change in current policy by allowing for the expansion of the commercial sale of images taken from space and the export of the systems themselves. This policy is intended to open the way for US firms to compete aggressively in a growing international market, which Commerce estimates could be a \$5 to \$15 billion industry by the turn of the century.

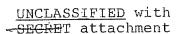
This new policy should aid the defense industry in its efforts to find new commercial applications for defense technologies and enhance US global competitiveness in the international remote sensing marketplace. The policy also represents an example of an emerging commercial information technology being used as a catalyst to create a new 21st century industry and long-term jobs for Americans.

Under the terms of the policy, US companies will be licensed by the Secretary of Commerce to operate private remote sensing systems and sell those images to domestic and foreign customers. The export of entire satellite systems and technology--licensed by the State Department--will also be considered under this policy. National security will be protected through specific conditions in the license. For US owned and operated systems, the Secretary of Defense or the Secretary of State, for national security or foreign policy reasons, can seek an interruption in service or restrictions on the dissemination of data. For exported systems, the United States will ensure that it retains the ability to counter or defeat foreign use of such capabilities, if national security conditions warrant.

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Agencies disagree about whether the Land Remote Sensing Policy Act of 1992 grants the Secretary of Commerce discretion to issue a license or permit exercise of a license after the Secretary of Defense and/or State have determined conditions necessary to meet US national security, international obligations and/or foreign policies. The statute is subject to different interpretations on this point. The PDD is not intended to resolve this issue.

It has been US Government practice both to deny the export of remote sensing space systems and the technology which could lead to the development of highly capable "spy-like" systems by other countries, and to not encourage the operation of private US systems that would sell high-quality imagery data and products commercially. A number of factors has forced the US Government to undertake a review of its policy in this area.

- -- Space-based images and imaging systems are increasingly being recognized by commercial entities as a means of significantly improving their productivity and business operations. Farmers, city planners, environmentalists, news organizations, map makers, surveyors, geologists, mining companies, oil companies, timber harvesters, taxing authorities, as well as foreign governments have all recognized the utility of high-quality space-based images for purely commercial purposes.
- -- Satellite collection capabilities that once were the monopoly of a few countries are spreading to many countries and the US lead is eroding. In addition to the United States, Russia, France, China, Japan and the European Space Agency already have an indigenous space industry. Several others--Israel, India, South Africa, Canada and South Korea--are on their way to developing such a capability.
- -- As the technology has spread, fewer intelligence sources and methods remain truly sensitive, making it harder to justify withholding exports on traditional national security grounds.

As the Executive Branch has struggled with developing a policy that would balance economic and national security concerns, the market has made commercial ventures more economically feasible and a backlog of license applications has been generated. This policy will allow agencies to make expeditious decisions on these pending licenses.

RECOMMENDATION

That you sign the Presidential Decision Directive at Tab A.

Attachment
Tab A PDD on Remote Sensing

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