THE CHAIRMAN introduced this item by explaining that it had been submitted by the Director, NSA, for USCIB approval, and that, in view of the fact that it raises a problem involving major policy, initial consideration by USCIBEC is considered appropriate. He invited comments.

OGA stated that CIA is prepared to vote for the paper with two comments:

(1) With reference to paragraph 2c. - He said he interprets the word "equipment" literally, and does not understand it to include intercept or D/F equipment. He expressed his hope that this understanding is shared because such equipment is probably our best bargaining resource and, in view of possible future negotiations with the [_____] by his Agency, it would be advantageous to be able to deal on the basis of these kinds of equipment.

(2) With reference to paragraph 2d., he expressed the hope that it will not be necessary to resort to offers of raw traffic in the current negotiations, explaining that the [_____] probably could not process the traffic anyway and that their next move might well be to trade it to other countries.

In the ensuing discussion it was brought out that it would be difficult to divorce intercept and D/F equipment from the term "communications equipment" as it appears in paragraph 2c. The possibility of the [_____] already being in possession of such equipment from other sources was also mentioned. It was felt by several members that there is no need at this time to document the limitations proposed by the CIA Member in view of the fact that in actual negotiations involving exchange of equipment or raw traffic it will be necessary for the Board to consider the matter further to approve specific types and quantities of such equipment and/or traffic. At such time, when the specific desires of the [_____] are known, all members will have an opportunity to voice objections. Upon further consideration, this feeling was generally accepted by the members, who agreed to wait to see what the [_____] will ask for.
In reply to the Chairman's request for other comments on the paper, Captain McCormick recommended that subparagraph 3b. and paragraph 4 be deleted. In the discussion of this point it was brought out that since the specific offer of the information described therein can be made only after U.K. approval, it will be more proper to refrain from mentioning it until the initial discussions are completed and an indication of desires is obtained.

The members agreed to delete subparagraph 3b. and paragraph 4, and to make what other consequential editorial changes are required.

DECISION: (26 February 1954) USCIBEC agreed that the proposals in USCIB 29.11/2 involve major policy, and agreed, further, to recommend USCIB approval of the paper with the following substantive and consequential editorial changes:

a. Delete subparagraph 3b.

b. Delete paragraph 4.

c. Change the period at the end of the text of paragraph 3 to a colon.

d. In paragraph 3 delete the subparagraph designation "a."

e. Renumber paragraph 5.