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Item 2

TERMS OF REFERENCE FOR THE NEGOTIATION
AND IMPLEMENTATION OF A NEW COMINT
AGREEMENT WITH [REDACTED]BACKGROUND

1. At its 105th Meeting on 13 August 1954 USCIB accepted the Final Report of the UKUSA Conference (12-21 July 1954) on [REDACTED]

[REDACTED] As part of the decision on this item, the Board appointed an ad hoc committee to draw up terms of reference for negotiating a new COMINT agreement with [REDACTED]. The committee was composed of representatives of the Department of State, CIA, NSA, Army, Navy, and Air Force. The NSA member was Chairman. SECDEF and FBI were free to send representatives but they did not actually do so.

2. The Committee held its first meeting on 23 August and agreed on the advisability of having its final report ready for consideration at the 106th USCIB Meeting. In its deliberations, the Committee was guided by the provisions of para. 15 of the Final Report of the UKUSA Conference (incl. with USCIB 29.18/16). This paragraph lists the specific agreements in respect of future UKUSA COMINT negotiations and arrangements with [REDACTED]. The Committee was also guided by para. 3 of inclosure 4 with USCIB 29.18/8, which set forth the internal U.S. relationships contemplated for the implementation of a COMINT agreement with [REDACTED].

3. The Committee completed its deliberations on 1 September and submitted its final draft to USCIB with a recommendation for approval.

CURRENT CONSIDERATION

4. USCIB 29.16/4 circulates the Ad Hoc Committee draft entitled "Terms of Reference for the Negotiation and Implementation of a New COMINT Agreement with [REDACTED]"

5. The approach to [REDACTED] is to consist of three phases: (1) the initial approach, (2) the actual negotiation, and (3) the implementation.

6. The initial approach will be made by a representative of the Director of Central Intelligence (DCI) to the Chief of the [REDACTED] counterpart of CIA). The CIA representative will seek the concurrence of [REDACTED] to a

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new and expanded COMINT relationship with the U.S. [] will be given a summary of major U.S. COMINT requirements which the [] could be expected to fulfill. If he shows an interest in the proposal, a technical conference in [] (preferably in October 1954) will be suggested at which the details of the new collaboration can be worked out by qualified COMINT technicians from both countries. As a prelude to the conference, [] will be asked to give his assurances that the [] COMINT Service and other users of COMINT in [] will conform to certain minimum security standards, a copy of which will be handed to him.

7. In Phase II, NSA representatives will participate with the CIA representatives in order to determine the precise technical nature of the collaboration with []. The negotiators will be guided by the provisions of para. 15 of the Final Report of the UKUSA Conference which sets forth the detailed agreements in regard to developing an expanded COMINT agreement with []. In addition, they will be guided by the technical specifications to be determined by the Director, NSA. Included here will be a detailed list of the COMINT technical materials that may be released to []

8. The negotiators will endeavor to fulfill all the objectives and requirements agreed between the U.S. and the British for expanded COMINT relationships with [].

9. In addition, the negotiators will endeavor to obtain [] agreement that the NSA Liaison Officer to be stationed in [] may have direct and frequent contacts with [] COMINT technicians. The Ad Hoc Committee agreed that "frequent contacts" means at least "twice a week," and that such twice-weekly contacts will be a prerequisite for the new COMINT agreement. The Committee agreed that the requirement for these contacts will be satisfied if the [] can make the contacts in some secure place, not necessarily in actual [] COMINT installations, where full discussions, papers, and exchange of materials and ideas may take place.

10. The U.S. negotiators will be furnished detailed minimum security standards which we would wish the [] to observe. These standards are to be prepared by the Ad Hoc Committee and attached as Tab G to the Terms of Reference.

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11. In this connection, it is to be noted the members of USCIB were under the impression (at the last meeting) that these security standards had to have the prior concurrence of the Director, GCHQ. Actually, this is not the case. The U.S. must obtain an assurance from [] that they will adhere to COMINT security standards at least equivalent to the appropriate UKUSA standards. Although prior approval of the British is not required, the Ad Hoc Committee believed that for guidance purposes it would be helpful to know how the British intend to handle the problem of COMINT security in their dealing with []. To this end, we have asked SUELO, London, to inquire informally into this matter. His reply has not yet been received.

12. As to Phase III - Implementation - the Ad Hoc Committee considers that, in the development of this COMINT collaboration, the [] will, of necessity, handle it in a manner similar to existing [] - U.S. intelligence relations. The implementation may, therefore, have to accommodate both this situation in [] and the U.S. desire that it be handled apart from other intelligence relations, but without detriment to vital non-COMINT intelligence relations.

13. Accordingly, the Director, NSA, will be responsible for the conduct of the COMINT collaboration with [] Present [] will be met under arrangements approved specifically by the DCI.

14. The DCI will assist the Director, NSA, in the development of this collaboration. The DCI will also be responsible for assuring that COMINT arrangements are separate from non-COMINT arrangements, insofar as practicable. If conflicts should arise, however, they will be resolved by the DCI and Director, NSA.

15. The Senior CIA representative in [] will establish the pattern for NSA contact with [] authorities on a basis mutually acceptable to themselves and to the []. The NSA and CIA representatives will keep each other fully informed as to the development of the COMINT arrangements, and as to problems which may arise in connection with the inter-relationship of COMINT and non-COMINT arrangements. In Washington, the Director, NSA, and the DCI will keep each other similarly informed.

16. If, in the judgment of the CIA representative in [], an action on the part of the NSA liaison officer in the conduct of his COMINT collaboration would adversely affect the vital non-COMINT arrangements, such action will be suspended or held in abeyance pending resolution of the matter by the DCI and the Director, NSA.

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[REDACTED]

18. With regard to the matter of asking the [REDACTED] to agree to at least twice-weekly COMINT contacts as a prerequisite for the new agreement (see Phase II, para. 3f, page 3 of the Terms of Reference) it has been learned that the Navy will ask USCIB to delete this sentence and present the basic issue underlying it to the Board for consideration.

19. The Navy position will be along the following lines:

a. Navy has been urgently requesting COMINT which can only be obtained by [REDACTED] for several years.

b. Since CIA cannot positively guarantee that the [REDACTED] will approve frequent contacts between the NSA liaison officer in [REDACTED] and [REDACTED] COMINT personnel, making such contacts a prerequisite for the new COMINT agreement could in fact result in breaking off negotiations with resultant additional delay in making an agreement, and possible jeopardy to any proposed new agreement.

c. Navy agrees that the closest collaboration is highly desirable, but feels that if achieving the ideal situation is not possible, a clear decision must be made before the negotiations as to a second course of action. Therefore, while [REDACTED] agreement to a minimum of two contacts a week between the NSA liaison officer and [REDACTED] COMINT personnel is a desirable objective, it cannot be a prerequisite to any type of new agreement.

d. Navy will submit the following recommendation to USCIB for consideration and decision:

- (1) [REDACTED] agreement to direct and frequent contacts with COMINT technicians is a desirable objective in negotiating the new agreement in that it will eventually permit close U.S.-[REDACTED] COMINT collaboration.
- (2) Such contacts are not prerequisite to the exchange of any technical material with [REDACTED]

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- (3) If such contacts cannot be arranged, the U.S. will agree to a technical exchange with [] equivalent to that exchange agreed between the U.K. and [] under the same circumstances. (Namely, technical exchange without the benefit of COMINT liaison).

20. The Navy is taking the position that while it does not dispute the desirability of close U.S.-[] COMINT collaboration, it considers that short of this condition the U.S. consumers can receive considerable benefit from an exchange of technical material equivalent to that envisaged between the U.K. and []. Therefore, that USCIB should agree to two courses of action which could be followed by the U.S. negotiators:

a. The close collaboration desired by the Director, NSA, as the first and most desirable course of action.

b. Negotiation of an agreement to achieve a technical exchange equivalent to that agreed between the U.K. and [] as the second course of action.

21. It may well be that the Navy for several years has been urgently requesting COMINT that can only be obtained from []. However, the Director, NSA, has also been acutely aware of this source of COMINT and has also been urging that USCIB take steps to obtain it. As early as 13 February 1952 (over 2½ years ago) the Director presented a report to USCIB in which, as Coordinator, he recommended that we attempt to obtain very important traffic of high intelligence content from []

[] (dtd 13 Feb 52). Two days later at the 74th USCIB Meeting, General Canine informed the members that implementation of the proposal being considered would provide traffic for which we had a desperate need. He added that in view of the importance of this traffic he would consider the diversion to this project of equipment already programmed for. The Board approved this proposal thereby authorizing CIA representatives and the Coordinator to proceed with its implementation (USCIB 30/2 dtd 15 Feb 52).

22. However, the NSA position, as presented in the Ad Hoc Committee discussions, is that the NSA liaison officer in [] must have direct and frequent contacts with [] COMINT technicians if we are to achieve close and continuing technical COMINT working relationships between NSA and the [] COMINT service. Only in this way can we hope to develop

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the [] COMINT potential to the point where it will begin to fulfill critical ONSA COMINT requirements. And unless the [] are willing to make arrangements for COMINT contacts at least twice a week, NSA believes that the negotiations should be terminated (at least temporarily) and USCIB should have another look at the problem to decide a new course of action.

RECOMMENDATION

23. It is recommended that the Director, NSA, support the Terms of Reference as drafted by the Ad Hoc Committee.

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