

US/UK TECHNOLOGY SHARING TREATY - Q&A

1. **How will the Treaty work?** We plan to use the security arrangements that currently exist between our nations and add measures and steps that will enable us to achieve a simpler, but at the same time more robust, arrangement.
2. **Why a Treaty?** Prime Minister Blair and President Bush directed the appropriate agencies to create an arrangement that would allow for information, goods and services to be shared more speedily but without compromising their security. We believe a Treaty is the most effective way of achieving this.
3. **Is this about securing an ITAR waiver as was attempted previously?** No. This Treaty will benefit the operational defence capabilities of the US and UK by improving the interoperability of equipment and systems between our armed forces. This will be achieved by simplifying the current technology sharing arrangements and at the same time strengthening the controls surrounding that technology.
4. **Why now? (What makes you think this initiative will succeed when all previous attempts have failed?)** Achieving an agreement has become more important than ever before. At a time when British and American forces continue to stand shoulder to shoulder with each other in defence and security operations around the world both leaders share the view that we should do all we can to further enhance our ability to cooperate together.
5. **What will be the main focus of the Treaty?** It will focus on assisting the nations in joint defence and security actions, on co-operative programmes, and on other mutually agreed defence and security programmes.
6. **How will it benefit the nations?** The Treaty will deliver benefits such as more efficient and effective co-operation; greater effectiveness in responding to the threats; greater depth and breadth of US and UK industrial exchanges; enhanced efficiency in industry; and better use of defence budgets.
7. **What are the implications for specific programmes?** We are particularly focused on being able to share information faster to keep ahead of the rapidly evolving asymmetric threats that our armed forces currently face. But it is being designed for the widest possible application that we mutually agree upon.

8. **Will it involve industry as well as the two governments?** Yes. To ensure we deliver the benefits to our armed forces and security services industry will be able to benefit from a reduction in the barriers to movement of equipment and technology.
9. **What assurances and commitments have been secured to ensure both nations can safeguard information exchanged under such an agreement?**
The agreement simplifies the current technology sharing arrangements and at the same time strengthens the controls surrounding that technology. We have reached this agreement based on a number of principles and constraints that:
- Are based on the well established US/UK way of handling sensitive material – the General Security Agreement (GSA). .
 - Apply only where the UK or US Governments are End User (normal export control rules apply in all other cases).
 - Protects US material transferred to the UK under this Treaty as classified when received in the UK thus affording a greater level of protection.
 - Ensures information is only accessible by accredited entities and personnel by joint agreement and on a need to know basis.
 - Apply to jointly agreed defence and security programs, including in support to current operations.
10. **Who is leading for the US and UK governments?** It is a cross-departmental initiative that is led by the US Department of State and the UK Cabinet Office.
11. **Has Congress been consulted?** That is a matter for the US Administration. However we fully recognize that the Treaty will require Senate support to enact it.
12. **Will the Senate support a treaty?** This is a question for the Administration, but HMG, to further our strategic partnership with the US, would call on the Senate to support the Treaty.
13. **Congressional staffers will kill this won't they?** The Administration has plans in place to undertake full consultation. We believe that Congress will find the merits of the Treaty to be very compelling.
14. **Why was Congress not consulted up front?** This is a question for the Administration. We understand the Administration was simply working up the scope of the agreement before it commenced a dialogue with Congress.

- 15. Will Parliament approve the Treaty?** In accordance with normal procedures the Treaty will be laid before Parliament for 21 sitting days. The procedures provide the opportunity for debate. We are convinced that parliament will recognise the benefits to the UK.
- 16. Are there any cost benefits in proceeding with this?** We anticipate that by working to reduce barriers to cooperation we will benefit from substantial cost savings in the areas of research and development, production and the operation of defence and security systems. There will also be administrative savings in both Government and industry in not having to apply for US export licenses
- 17. What about equipment and interoperability – how is that improved?** This effort will benefit both nations by enhancing their capabilities and improving the interoperability of equipment and systems between our armed forces and security services. We must have the most effective means possible to fight not only in traditional battlefield situations, but also against the global threat of terrorism, including when our forces face asymmetric threats such as IEDs. By reducing current barriers to communication and collaboration between, and among, our armed forces and our defence industries, we will provide our forces with the most effective means possible to counter these and other threats.
- 18. How does this help defence industry?** The new arrangements will help maintain the strength of our respective defence industries. By enhancing the ability of our defence industries to take advantage of the rich and deep technical experience in both countries we will continue to develop and field the most effective military capabilities possible. The ability more freely to exchange technology and products across the Atlantic will make a big difference to the way that companies who operate in both countries can do business.
- 19. How does this affect collaborative European programmes?** The arrangement applies to US/UK programmes and other national UK or US programmes. The agreement does not extend beyond that.
- 20. Is this aimed at distancing the UK from Europe towards the US on defence?** No. This agreement reduces the burden of bureaucracy involved in transferring items between the US and UK. We will continue to work closely with the US and our European Partners. There is a very significant level of defence trade between the US and UK and it is clearly in our interests to improve the efficiency of that trade.
- 21. Will you try to do a similar deal with France/Europe?** We continue to talk to European partners about ways of improving the ability to co-operate

in Europe. This Treaty will not impact on that.

22. **What do European partners think of the approach?** There will be no reduction in our commitment to working with European partners on defence issues. We are confident that European partners will understand this.
23. **What impact would a change of UK policy on the China Arms Embargo have on a UK/US defence treaty?** The UK and EU policy on the China Arms Embargo remains unchanged.
24. **Impact on BAES business in the US?** That is a matter for the company. But we expect companies like BAES, as well as other UK companies who have a footprint in America, and US companies who have a UK base, to see early benefits from the deal.
25. **Impact on BAES takeover of Armor Holdings?** The Treaty reflects the already very close relationship between UK and US in defence, as does the scale of the transatlantic defence industrial relationship. But we would not expect Treaty to have a direct effect on the US clearance of the Armor Holdings, or any other deal.

If raised:

26. **Is the Treaty consistent with the UK's European and international export control obligations?** Yes.
27. **Does the Treaty impinge on EC Competence in this area? Risk of ECJ Challenge?** No. The Treaty is quite clear (Article 16) that it is compatible with our European obligations. The Treaty allows for the exclusion of dual use goods (an EC competence) from its scope. Of course the EC does not enjoy the same competence with regard to military equipment essential for security and defence interests, the focus of this Treaty.