

December 4, 1990

Mr. Ding Mou-shih  
Representative  
Coordination Council for  
North American Affairs  
4301 Wisconsin Avenue, N.W.  
Washington, D.C. 20016-2137

Dear Mr. Ding:

I have the honor to provide to you the enclosed AIT/CCNAA Memorandum of Understanding on the Protection of Trade in Strategic Commodities and Technical Data that has been developed in consultation between our two sides on May 3, 1990 in Washington, D.C.

If this enclosure is acceptable to CCNAA, this letter, together with your reply, shall constitute an agreement between AIT and CCNAA.

I look forward to your early reply.

Sincerely,

Natale F. Bellocchi  
Chairman of the Board  
and Managing Director

Enclosure:

As stated.

0205R

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE AMERICAN INSTITUTE IN TAIWAN AND  
THE COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS  
ON THE PROTECTION OF TRADE IN STRATEGIC COMMODITIES  
AND TECHNICAL DATA

I. PURPOSE

Given the mutual desire to facilitate high technology trade between the territories represented by the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs (CCNAA), and given the recognition that enhanced protection for strategic commodities and technical data (the "controlled items") serves the mutual security and economic interests of both parties, AIT and CCNAA agree to cooperate in precluding the unauthorized transfer of such commodities and technical data to proscribed destinations. Such cooperation will serve to facilitate trade in strategic commodities and technical data between both parties. Both parties agree that the protective measures in this document, based on COCOM principles, will be instituted and effectively implemented, in accordance with the respective laws and regulations of each party.

II. PROTECTIVE MEASURES

1. LIST PROCEDURE

AIT and CCNAA agree to restrict exports of controlled items to proscribed destinations. AIT and CCNAA agree to consult on list matters as appropriate.

2. IMPORT CERTIFICATE/DELIVERY VERIFICATION

The authorities represented by CCNAA agree to adopt a mutually acceptable, international import certificate and delivery verification (IC/DV) system for all controlled items consistent with COCOM practice and will make these documents available on request for imports of controlled items.

Upon the entry into force, the authorities represented by AIT will make best efforts to ensure that the territory represented by CCNAA will be treated in full accordance with COCOM principles, as they apply to cooperating authorities, by all COCOM members and cooperating authorities.

*Estimé* May 4, 1970

*Em*  
May 4, 1970

3. RE-EXPORTS

Both parties agree that controlled items of either's origin imported into either territory will not be re-exported without the prior written approval of the original exporting authority when such approval is required.

4. END-USES/END USERS

Controlled items will be protected in the respective territories represented by AIT and CCNAA from end-uses and end-users not authorized in the item's export license or approval.

5. PRE-LICENSE/POST-SHIPMENT CHECKS

AIT and CCNAA shall ensure the continuation of the existing working relationships concerning pre-license and post-shipment checks in their respective territories.

6. IN TRANSIT/IN BOND

Both parties' law enforcement authorities agree to cooperate, through the assistance of AIT and CCNAA, in preventing the use of in-transit or in-bond facilities in either respective territory for the purpose of evading export controls over sensitive commodities. AIT and CCNAA further agree to cooperate in preventing re-shipment of in-transit or in-bond controlled items when either party has specific reasons to suspect that controlled items in question have been illegally exported.

7. ENFORCEMENT

Both parties' law enforcement authorities agree to cooperate, through the assistance of AIT and CCNAA, in ensuring the enforcement of the conditions and assurances contained in export licenses or export approvals and import certificates and to cooperate to ensure that these conditions are not violated. When either AIT or CCNAA has suspected violation of its applicable laws relating to export controls, both parties will promptly exchange information, including certified copies of documentation, and coordinate to take appropriate action. Such corrective action could include detaining for the necessary time any items material to the investigation.

*Coburn May 4, 1970  
J. Hill*

*SP  
May 4, 1970*

### III. IMPLEMENTATION

AIT agrees to assist CCNAA, at its request, in establishing its strategic export control system in stages. The items of assistance include, but are not limited to, the provision of information and materials on the status of the multilateral export control, the arrangements of training programs for the enforcement authorities and consultation.

### IV. BENEFITS

AIT affirms to CCNAA that the United States Export Administration Act of 1979, as amended, permits the conferral of certain export licensing benefits on parties cooperating with COCOM, provided that their export control practices meet the statutory standard of being "comparable in practice" with COCOM. To meet this standard, a party must demonstrate that its export control system restricts the full range of controlled strategic commodities and technical data at the controlled technological levels, using COCOM-like procedures and instrumentalities, and that it denies such exports to proscribed destinations in conformity with the practice of COCOM members.

AIT considers that the protective measures agreed under the Memorandum of Understanding will, when fully and consistently implemented, constitute the kind of cooperation that is "comparable in practice" to COCOM. In recognition of this judgement, AIT will, after the signing of the Memorandum of Understanding and the timely implementation of an acceptable import certificate/delivery verification system, initiate measures to provide CCNAA licensing benefits, General License Cooperating Governments and expedited license processing (15/15 working days), or other appropriate licensing benefits. In addition, when CCNAA has implemented the protective measures that prove comparable in practice to those of COCOM member states, AIT stands ready to take the necessary steps to ensure that other benefits pursuant to Section 5(k) of the Export Administration Act of 1979, as amended are conferred.

### V. INTERPRETATION, CONSULTATIONS AND NOTIFICATION

AIT and CCNAA will consult annually on the operation of the provisions of this Memorandum of Understanding. Questions arising concerning the interpretation or implementation of this Memorandum of Understanding will be resolved through consultations between AIT and CCNAA, as appropriate.

*Bob  
May 6 1990*

*Eric  
May 4, 1990*

AIT undertakes to notify CCNAA in a timely manner of relevant changes in COCOM export control policies, the COCOM control lists and the COCOM list of proscribed destinations.

CCNAA will use its discretion, as do COCOM members, for exports at the Administrative Exception Note level. AIT welcomes CCNAA's request to consult on other cases subject to control under COCOM standard practices. AIT undertakes to render without delay its advice to CCNAA concerning such cases. Both sides agree to protect the confidentiality of these consultations.

The undertakings in this Memorandum of Understanding are subject to the laws and regulations of the territories represented by AIT and CCNAA. These arrangements may be terminated by either party's providing the other party 180 days prior written notification of such termination, after which time its provisions shall remain in effect for controlled items previously imported into either territories.

#### VI. ENTRY INTO FORCE

This Memorandum of Understanding shall enter into force on the thirtieth day after the day on which the AIT and CCNAA shall have notified each other to the effect that all legal requirements for the entry into force of the Memorandum of Understanding have been met.

This draft memorandum has been discussed and accepted by both delegations and is being initialled ad referendum pending consideration and approval by the respective authorities.

*Ed Dan May 4 1950*  
*J. Hill*

*Ed Dan*  
*May 4, 1950*

北美事務協調委員會駐美國辦事處

*Coordination Council for North American Affairs*  
Office in U.S.A.  
4201 Wisconsin Avenue, Washington, D.C. 20016

ED-80-012

April 8, 1991

Ambassador Natale H. Bellocchi  
Chairman of the Board and  
Managing Director  
American Institute in Taiwan  
1700 N. Moore Street, #1700  
Arlington, VA 22209

Dear Ambassador Bellocchi:

I have the honor to refer to your letter of December 4, 1990, which states:

"Dear Mr. Ding:

I have the honor to provide to you the enclosed AIT/CCNAA Memorandum of Understanding on the Protection of Trade in Strategic Commodities and Technical Data that has been developed in consultation between our two sides on May 3, 1990.

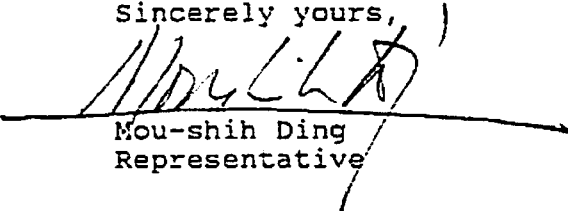
If this enclosure is acceptable to CCNAA, this letter, together with your reply, shall constitute an agreement.

I look forward to your early reply,

Sincerely,  
Natale H. Bellocchi  
Chairman of the Board  
and Managing Director"

In reply I have the honor to accept, on behalf of our Council, the foregoing Memorandum of Understanding and to confirm that the aforesaid letter and this reply shall constitute an Agreement between the Institute and Council.

Sincerely yours,

  
Mou-shih Ding  
Representative

北美事務協調委員會駐美國辦事處

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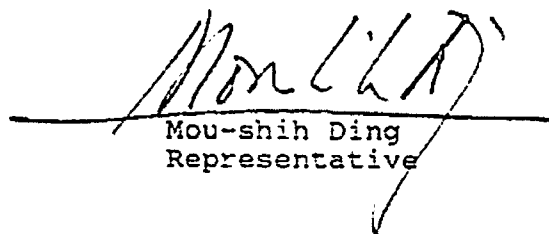
Dear Ambassador Bellocchi:

I have the honor to refer to your letter of December 4, 1990, which outlines and asks us to confirm the understandings of the party represented by the American Institute in Taiwan (AIT) regarding the Memorandum of Understandings on the Protection of Trade in Strategic Commodities and Technical Data.

In response to your letter, our head office in Taipei proposes that a consultation be held between CCNAA and AIT sometime after May 1991 to discuss the subject matter, as well as issues regarding export controls over missiles and chemical and biological weapons. Should AIT agree with us to hold such a consultation, we would appreciate receiving a suggested date and place for that consultation from you soon.

I look forward to your early reply.

Sincerely yours,

  
Mou-shih Ding  
Representative