

NSC review completed.

NSC Request to DDI

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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November 28, 1983

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MEMORANDUM FOR ROBERT M. GATES
Deputy Director for Intelligence
Central Intelligence Agency

SUBJECT: Information on Strategic Oil and Gas Equipment

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We would appreciate your assistance in providing information relevant to U.S. strategic oil and gas policy. Part of the material needed concerns the USSR's Barents Sea project; we understand that of your agency is familiar with at least some aspects of this issue and probably could be helpful. Our information needs cover the following areas:

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1. Preparation of a matrix (for easy reference) that is composed of (a) the specific 17 dual-use oil and gas items already proposed to the allies for COCOM controls; (b) when they were last under national security controls, if ever; (c) the potential military significance of the items and examples of their possible applications; (d) the probability of their use in construction of the huge Soviet offshore project in the Barents Sea.

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2. An update on the Barents Sea project, including: (a) status of Soviet negotiations with potential suppliers; (b) degree of reliance on imports of Western oil and gas equipment; (c) probable oil and gas equipment and technology for use on the project that is likely to be largely or exclusively available in the U.S.; (d) degree of leverage the West could potentially exercise if most or all of the 17 items proposed to COCOM were brought under multilateral controls, i.e., effect on overall feasibility of project, resulting delays, increased costs, etc.; and (e) possible effects on the Soviet economy if the Barents Sea does not come on stream or is delayed.

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3. Brief analysis of ways in which the economic repercussions from imposition of additional proposed COCOM and IEA controls on oil and gas equipment might affect the Soviet economy and alter Soviet foreign and military policy - e.g., ability to maintain energy exports and effect on balance of payments and domestic economy, increased likelihood of pressure on or military moves against Iran and the Persian Gulf area, ability to sustain military buildup.

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We would like to receive this information as quickly as possible. Roger Robinson (395-3622) of the NSC Staff International Economic Affairs Group can answer any questions you may have. Your assistance is greatly appreciated.



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Kenneth E. deGraffenreid
Director of Intelligence Programs

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