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NTISS

NATIONAL
TELECOMMUNICATIONS
AND
INFORMATION SYSTEMS
SECURITY

ADVISORY MEMORANDUM
ON
RELEASE OF COMMUNICATIONS SECURITY
EQUIPMENT, MATERIAL OR INFORMATION
TO FOREIGN ENTERPRISES

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NATIONAL
TELECOMMUNICATIONS
AND
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SECURITY

NATIONAL MANAGER

FOREWORD

1. National Telecommunications and Information Systems Security Advisory and Information Memorandum COMSEC/1-85, "Release of Communications Security Equipment, Material, or Information to Foreign Enterprises," announces criteria to be considered in determining the advisability of releasing COMSEC equipment, material, or information to private enterprises which are foreign owned, controlled, or influenced. The subject of release of COMSEC information to foreign governments and international organizations is addressed separately in NCSC-6, "National Policy Governing the Disclosure or Release of Communications Security Information to Foreign Governments and International Organizations," dated 16 January 1981.

2. Additional copies of this Advisory Memorandum may be obtained from:

Executive Secretariat
National Telecommunications and Information
Systems Security Committee
National Security Agency
Fort George G. Meade, MD. 20755—6000

WILLIAM E. ODOM
Lieutenant General, USA

**NTISS ADVISORY AND INFORMATION MEMORANDUM
ON
RELEASE OF COMMUNICATIONS SECURITY EQUIPMENT
MATERIAL, OR INFORMATION TO FOREIGN ENTERPRISES**

SECTION I - PURPOSE

1. This Advisory and Information Memorandum announces criteria concerning release of COMSEC equipment, material, or information to foreign enterprises.

SECTION II - DISCUSSION

2. In accordance with existing policy, the National Manager shall not approve the release of COMSEC equipment, material, or information to a foreign enterprise, except as provided for by federal law, treaties or international agreements to which the United States is signatory, or by Executive Orders, and Presidential Directives, or when the National Manager determines that it is clearly in the national interest of the United States. Such determinations shall be granted solely on a case-by-case basis, in consonance with the criteria contained in Section III.

SECTION III - CRITERIA

3. The determination of whether a corporation, partnership, association, or other business entity, including a sole proprietorship is a foreign enterprise will be based upon consideration of the following criteria:

- (a) Incorporation in a foreign country; or
- (b) Foreign interest ownership or beneficial ownership of five percent or more of its securities, or
- (c) Key management position(s) held by non—U.S. citizens; or
- (d) Demonstrable foreign interests in control of or capable of influencing the election, appointment, or tenure of directors, officers, or executive personnel of the organization; or
- (e) Indebtedness to foreign interests; or
- (f) Any income derived from foreign interests; or

(g) Five percent or more of any class of its securities held in “nominee shares,” in “street names,” or in some other method that does not disclose the beneficial owner Of equitable title; or

(h) Interlocking directors with foreign interests; or

(i) Any other factor that indicates or demonstrates a capability on the part of foreign interests to control or influence the operations or management of the business organization concerned.

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