

SELLING CHINA THE ROPE . . .

Clinton Didn't Start It, But He Sure Made It Worse

By Henry Sokolski

Presidential spokesman Mike McCurry last week justified the Clinton administration policy that allowed the transfer of satellite technology to the Chinese military with the hoary “they started it” defense. “This administration,” said McCurry, “has pursued the exact same policy pursued by the Clinton administration.”

This is not really a defense of the Clinton policy, of course, but is it true? Republican officials, as we shall see, were not without sin. But you might say that they worried enough to go to confession: They tried to control against the leaking of sensitive technology in their dealings with China by at least monitoring and limiting the transactions. Not so the Clinton administration, which from 1993 on not only showed contempt for enforcing existing satellite controls but loosened them so as to make it all but impossible to know whether they were being violated. You might say they not only skipped confession, but burned the church down.

Today's controversy surrounds what the Chinese have managed to learn through launching satellites made by two American companies, Loral Space and Communications and Hughes Electronics. Details of a federal grand-jury investigation have been leaked to *New York Times* reporter Jeff Gerth and others that make this much clear: In February 1996 a Chinese Long March rocket carrying a

Loral-made satellite blew up shortly after liftoff. In an effort to clarify to insurers who was to blame for this accident, analysis done by Loral and Hughes was presented to the Chinese, which the U.S. Defense Department later determined could help China perfect its own reliable, accurate, long-range ballistic missiles. (According to a CIA report leaked in late spring, 13 Long March missiles with nuclear warheads are aimed at American cities.) The federal grand jury is now trying to determine what, if any, U.S. export-control laws may have been broken.

This story has exploded because of the tandem revelations that the Chinese military may have made illegal campaign donations to aid Clinton's reelection and that Loral's CEO is a top donor to the Democratic party. Despite Justice Department warnings that he might undermine the grand-jury investigation of Loral, the president went ahead earlier this year and allowed the company to transfer an additional satellite to China. Eager to connect the dots of the scandal, the House last week voted 364 to 54 to suspend

all transfers of U.S. satellites to China.

Focusing on the money is exciting, but probably misses the point when it comes to assessing the potential damage done to national security. In fact, not just Loral and Hughes, but Lockheed Martin, Motorola, and Martin Marietta have all worked closely with the Chinese launch industry—work which began not in 1996, but nearly a decade ago in 1989. And all of this history (not just the 1996 Loral-Hughes case) bears investigating. There is no way to judge the administra-



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tion's performance in the Loral-Hughes matter without knowing what was attempted by prior administrations.

It was Ronald Reagan, after all, who first allowed the launch of U.S.-made satellites on Chinese rockets, after the *Challenger* space shuttle crash in 1986 deprived the satellite industry of launch alternatives. And it was George Bush who waived Tiananmen Square sanctions to allow the Chinese launch of up to five U.S.-made satellites, three of which—all made by Hughes—were launched before he left office.

If this larger record is examined, three points emerge. First, *all* of our satellite transfers have helped China perfect its military rocketry. China's launching of U.S.-made satellites—worth up to a half-billion dollars in revenue to date—has helped finance China's own missile-modernization efforts and missile exports to nations like Pakistan and Iran. It also has given the Chinese access to U.S. rocket know-how. U.S. contractors have a natural inclination to tutor the Chinese on what they should do to make their crude rockets precise and reliable (they don't want to lose their satellites, which are worth up to 10 times the value of the launcher). Anticipating this, State and Defense officials drew up strict rules in the late 1980s covering precisely what information companies could share with the Chinese. These rules required monitoring of all contractor-Chinese exchanges (including discussions) by a U.S. government rocket-engineer enforcement agent.

Did this prevent militarily useful information from being conveyed to the Chinese? No. But because all exchanges were monitored, there was a clear record of what was conveyed and a concerted effort to keep such transfers to a minimum. Were there infractions? Yes, but when they were reported, senior officials in the Defense and State departments reprimanded the contractors and got them to stop. Yet despite these enforcement measures, a number of key technologies were transferred before 1993. Clean-rooms were constructed in China to assure Hughes's sensitive communications satellites wouldn't be ruined by dust, humidity, or major temperature changes before they were launched. And clean-room technology, as it happens, is also crucial in preparing any advanced system for launch, including reconnaissance satellites and complex warhead packages.

In an attempt to clear up liability for two launch failures in 1992, U.S. contractors also discussed how to improve Chinese payload farings (the nose cone at the rocket's top that shields the satellite) and attitude and engine controls, which fire the rocket's stages and keep them and the payload (either military or civilian)

at the precise angles required for proper functioning. Finally, each launch of a Chinese Long March vehicle helped improve the reliability of China's intercontinental ballistic missile fleet, since the rockets are the same.

Republican officials, then, had a spotty record, with the advantage that they worried about it and tried to enforce the law. By the end of the Bush administration, proposals were made to loosen controls over satellite transfers. Whether they would have succeeded no one can know, because the 1992 elections intervened.

The industry, however, correctly sensed that with Clinton's election the time for pushing for decontrol was ripe. Their first step came in late 1993 when they asked the Commerce Department to persuade the White House to drop government monitoring of contractors' discussions with the Chinese. They wanted to share, unimpeded by monitors, a key technology known as "coupling load analysis." The crude Chinese rockets were originally designed to be so rigid that vibration from the rocket's separating stages and engines risked shattering delicate satellites of the sort the U.S. companies would want to launch (and the Chinese would want to develop later on their own). Using coupling load analysis, the Chinese could "soften" their launchers, allowing them to carry more sensitive payloads—be it satellites or the latest in highly accurate, multiple-warhead systems.

The space industry was so eager to share this technology, it lobbied Congress and the executive branch throughout 1993 to be given a free hand to do so. Meanwhile, government monitors continued to file compliance reports on a host of issues. Now, however, their concerns were handled differently: Where before senior State and Defense officials took action, now little or nothing happened. Word got out: Increasingly, industry officials disobeyed government guidance, shared their know-how with the Chinese, and discovered that contempt for the law paid off.

By 1995, the satellites being launched by the Chinese were more sophisticated. One of these, AsiaSat 2, a communications satellite made by Martin Marietta, was to be placed in its orbit with a Chinese solid-rocket kick motor—a final rocket stage strapped to the satellite itself. This kick motor's propellant had to be configured with extreme precision to ensure that it would propel the satellite to an exact point in space and no further and that it would do so without shattering the satellite through vibration or jolts of acceleration.

Martin Marietta and its Hong Kong customers were concerned that the Chinese kick motor might not

be capable of such precision. They asked State if they could witness a Chinese test-firing of the motor. Their wish was granted. What's unknown is what, if anything, was then said to the Chinese engineers by the company's foreign staff, who are not bound by U.S. restrictions. Were they briefed by the contractor? Did they speak with the Chinese or otherwise convey U.S. solid-rocket propulsion know-how? We don't know. Why might it matter? Perfecting kick motors can also help in China's development of a warhead-delivery system known among experts as a "post-boost vehicle"—which is designed to penetrate missile defenses. Boosting a satellite up into a precise position in space with a kick motor is little different from blasting warheads off their predictable course down through space and the atmosphere.

The good news in this case is we may have a clue whether this technology was leaked: Industry's campaign to do away with monitoring didn't fully bear fruit until 1996. In 1995, U.S. law still required government monitoring agents, and compliance reports were still being filed. This paper trail and government monitoring work didn't grind to a halt until 1996. That's when President Clinton quietly removed virtually all commercial satellites and related technology from State Department munitions controls (which required official monitors). The responsibility was transferred to the Commerce Department, which (no surprise) trusts industry to monitor itself.

In his defense of the Clinton policy last week, Mike McCurry cited this transfer to Commerce as the one change that distinguished the Clinton administration's policy from Bush administration practices. But the transfer to Commerce was no simple "change." It was tantamount to a complete overthrow of the old export-control regime.

It was under Commerce "controls" that Motorola and Lockheed worked with the Chinese to launch a series of small communications satellites known as Iridium. Two of these satellites at a time were successfully launched on a Long March rocket with a multiple-satellite dispenser of Chinese design. A host of issues about the satellite dispenser were somehow

addressed—from proper mounting and release of the satellites to coupling load analysis and attitude control. And all were resolved. The result? China now has mastered a technology virtually interchangeable with that of multiple independently targetable warhead vehicles (MIRV), a delivery system used on America's most advanced intercontinental ballistic missiles. Indeed, the MIRV system that our military uses today was borrowed from dispensers that the commercial-satellite industry first developed.

One could go into greater detail on the potential military significance of our satellite transfers to China. But this much is already abundantly clear: Our national security demands that Congress learn all the facts. This will require going beyond the narrow legal question of whether Loral and Hughes broke the law in 1996. Indeed, allegations of influence peddling by the Chinese and the contractors should not divert attention from the crucial questions raised by a decade of U.S. satellite commerce with China.

Among them are these: Have we already given the Chinese everything of value (in which case, continued satellite commerce could hardly do much harm)? Or is there more that they need or want that we should control and protect? What, if anything, should be done to improve enforcement of controls and assure effective executive-branch backing? Finally,

is the spread of missile technology so tied up in the transfer of satellites that we delude ourselves in trying to control their transfer? Would it make more sense to accept this connection and expand such trade, or in the case of China, cut it off entirely?

To get at these questions, Congress will have to hold its own hearings—but it will need the time and depth and expertise that can only come with the creation of an independent commission. The commission and Congress, moreover, are unlikely to get anywhere if U.S. contractors are unwilling to speak freely. Only they know what has actually been transferred to the Chinese since 1996. To encourage them to be forthcoming, Congress and the executive branch should grant contractors immunity from prosecution. Meantime, a moratorium should be placed on further transfers of satellites to China until the commission and



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Congress get the answers they need. This will hurt industry only to the extent that it drags its heels in providing information about past transfers.

Certainly, given the seriousness of these matters, it would be shortsighted of Congress to focus exclusively on the political and legal issues surrounding the 1996

Loral case. There is, after all, a broader set of concerns at stake. The president is duty bound to provide for the common defense. Not until we know the truth about the U.S. role in China's missile program can we know whether the Clinton administration has met this most basic obligation. ♦