I. Background

- SDI program is compliant with narrow interpretation. In 1985, after analysis of Treaty text and negotiating record, USG concluded "broad" interpretation fully justified but did not restructure SDI program at that time. The matter of policy, the President decided not to.

- Legal analysis of the negotiating record and ratification proceedings have been released. As of August 11, the subsequent practices study was in the final clearance process. The study is complete and will be submitted to the Senate soon. The study concludes that the "broad" interpretation is fully justifiable.

- President will study these legal analyses, plus the DOD study on programmatic and cost implications of restructuring, and will consult with Congress, Allies before deciding whether to restructure SDI program.

II. US Position

- Treaty poses no limitations on performance of ABM-related research, regardless where such research takes place.

- It poses no limitations on activities up to field testing of prototype of an ABM component (defined in Article II).

- For OPP systems and components regardless of basing mode, the Treaty bans deployment, but not development and testing.

- Soviet-proposed constraints on SDI are attempts to amend the Treaty, and are more restrictive than the "narrow" interpretation.

- Any US decision to deploy strategic defenses would be the subject of consultations with our Allies and negotiations with the Soviets, as envisioned under the ABM Treaty, or as specified in a new treaty.

III. Soviet Position

- Soviets contend SDI seeks to provide base for territorial defense, and thus inconsistent with Article I of ABM Treaty. They have also contended SDI will violate Article V prohibitions on development and testing of mobile ABM systems and components.

- Soviets claim ABM Treaty text not sufficiently clear, must be "strengthened."
In the DSE Talks, Soviets have made specific proposals affecting ABM Treaty observance:

--Soviets would permit research on space-based ABM defenses only in "laboratories" on earth -- at institutes, ABM test ranges, plants. Soviets also seek agreement on specific list of devices sides would agree not to put into space. Specific Soviet proposals do not address other mobile basing modes.

--Soviets seek definitions of non-treaty terms they claim are relevant to treaty interpretation; US rejects this.