

THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

19 FEB 1976

The Honorable Georg Leber  
Minister of Defense  
Ministry of Defense  
Postfach 161  
5300 Bonn 1  
Federal Republic of Germany

Dear Minister Leber:

You will recall that we discussed the NATO Airborne Early Warning (AEW) Program during our meeting in Hamburg on January 21. You referred to your earlier letter of December 16, in which you agreed to contribute \$4 million to a long lead fund subject to approval by the Bundestag. We have carefully considered the points in your helpful letter, and I would like to suggest to you a plan of action for the forthcoming months.

Favorable actions by the NATO Allies, and particularly the interest and commitment shown by the FRG and UK, have been important to maintaining Congressional support to date for the US and the NATO AWACS programs. Recent Congressional appropriation of long lead funding has extended the US program beyond June 1976. However, we still need joint advance funding for pacing items for NATO AWACS in order to sustain the cost integrity of the NATO program and to provide Congress with continuing evidence of tangible Allied support. Therefore, we must go ahead as we planned in December to establish a joint fund.

We would propose to develop a Memorandum of Understanding (MOU) in conjunction with the NATO AEW Program Office (NAPO), which would specify the financial commitments undertaken by the FRG, UK, US and others in order to reach the \$12-15 million projected for the fund. If this MOU is satisfactory to you and the other Allies who have tentatively agreed to interim financial commitments, I would suggest a target date of early April for signature of the memorandum by national armaments directors.

We will need to reach a better understanding about follow-on financing of a NATO AWACS program during our June meeting. I fully understand that additional financial undertakings by the FRG will depend on answers to the unresolved problems you mentioned in your letter-- numbers of aircraft, configuration, overall costs, industrial collaboration, etc. All of these matters are under examination in the



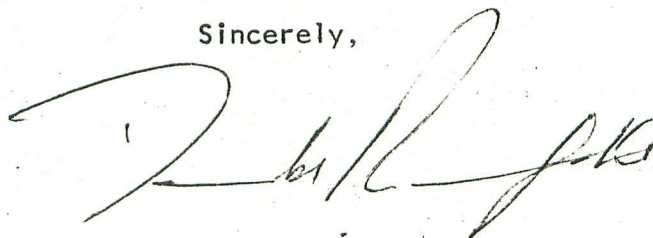
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NAPO and High Level Group. My earnest hope is that answers to these interrelated problems can be worked out, in cooperation with the NATO military authorities, in time for our review before the spring ministerial meetings.

As an indication of how we are currently presenting both the US AWACS and NATO AEW programs to the US Congress, I have enclosed a statement provided to Congress on February 3. I hope this information will be useful in our common effort to develop public and legislative support for the NATO AEW program.

Again, please let me express my personal appreciation for your help on behalf of this important Allied program.

Sincerely,



Encl  
a/s

