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THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

30 JAN 1976

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL  
SECURITY AFFAIRS

SUBJECT: Foreign Military Sales Critical, Items - INFORMATION  
MEMORANDUM

BACKGROUND:

I believe the President and Secretary of State might be interested in a recent analysis by DOD which examined the availability status of U.S. equipment for foreign military sales. The analysis focused on the availability of 12 of our more advanced equipments and also addressed political considerations, technology transfer, the release of technology and first line equipment, and possible solutions to increase production of high-demand FMS items.

ANALYSIS HIGHLIGHTS:

Availability status of 12 critical items for which demand exceeds supply within normal. production leadtime is shown at the attachment.

A delivery commitment to a new FMS customer prior to the date that all firm orders are met would require diversion of equipment from US assets or from an existing customer.

Requests for R&D cooperation and co-production involving advanced technology are increasing. Although current procedures for protecting advanced technology and capabilities are effective, we must continue to guard against compromise of sensitive data or any adverse effect on the US production base.

Our policy has been not to expand production capacity for short term FMS requirements; however, increased production for some items may be warranted. Overtime, added shifts, added facilities, or second sources are being considered for the more critical items.

CURRENT STATUS:

A briefing on this analysis was presented by DOD representatives to appropriate NSC and OMB staff members on 29 January 1976.

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30 Jan 76

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UPON REMOVAL OF ATTACHMENTS THIS  
DOCUMENT BECOMES UNCLASSIFIED

SEC DEF CONTR No. X-0294

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AVAILABILITY STATUS OF 12 FMS CRITICAL ITEMS

<u>Item</u>	<u>svc .</u>	<u>Production Capacity Committed to Firm Demands Until:</u>	<u>Production Capacity Committed to Firm and Possible Demands Until</u>
4-60 Tank Chassis	Army	Mar 78	<b>Nov 81</b>
Armored Personnel Carrier	Army	Mar 77	Jun 80
Tank Recovery Vehicle	Army	<b>Oct 79</b>	Jan 80
Artillery Weapons	Army	<b>Dec 77</b>	Apr 79
155MM Howitzer	Army	Jun 77	Nov 82
TOW Missile	Army	Mar 77	Mar 79
TOW Launcher	Army	Sept 76	Jul 77
20MM Vulcan	Army	<b>Oct 78</b>	Aug 78
Dragon Tracker	Army'	Mar 78	<b>Oct 80</b>
Sidewinder Missile	Navy	<b>Dec 77</b>	Jan 78
Harpoon	Navy	Jul 79	Jan 82
F-16	Air Force	Apr 80	May 85



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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

29 JAN 1976

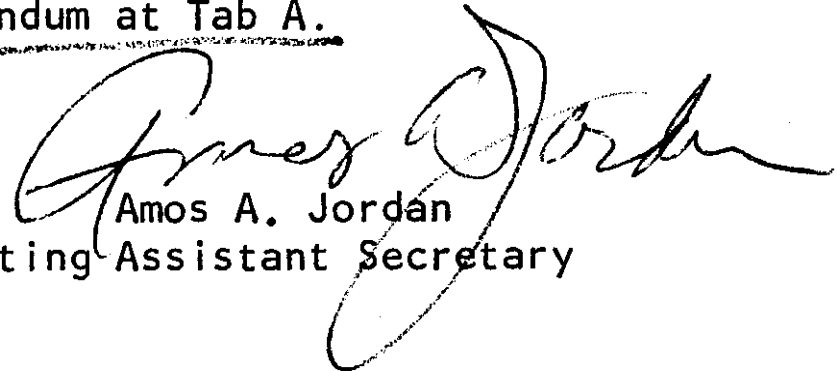
In reply refer to:  
I-777/76

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Foreign Military Sales Critical Items Analysis--  
ACTION MEMORANDUM

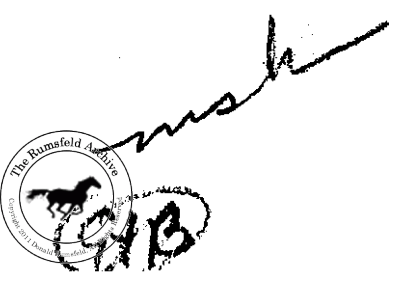
The attached memorandum for General Scowcroft was requested by your office on 19 January 1976. Its purpose is to apprise the President and the Secretary of State of a recent DOD analysis concerning the availability of critical equipment items for foreign military sales.

Recommend you sign the memorandum at Tab A.

  
Amos A. Jordan  
Acting Assistant Secretary

Attachment  
a/s

SECRETARY OF DEFENSE



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SEC DEF CONTR No. X-0294 1/25



INTERNATIONAL  
SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

15 JAN 1976

In reply refer to:  
I-407/76

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Foreign Military Sales Critical Items Briefing -  
INFORMATION MEMORANDUM

BACKGROUND:

A major study has recently been completed by ISA(SA)/DSAA which examined the availability status of U.S. equipment which is in high demand by Foreign Military Sales (FMS) customers. The increased demand for first line equipment for FMS requires that we have an accurate status of the availability of these equipments, the time new requests can be satisfied and the effect an early commitment would have on U.S. Forces and other FMS customers. The study keys on the availability status of 12 of our more advanced and high demand FMS equipments where competing and conflicting requests for assets frequently require the personal attention of senior Department of Defense and State officials. The analysis also addresses political considerations, technology transfer, the release of technology and first line equipment and possible solutions to increase production of high demand FMS equipments.

STUDY HIGHLIGHTS:

Critical items of DOD equipment which are in high demand, by our Foreign Military Sales (FMS) customers are identified. Equipment is identified as "critical" when demands for the item exceed availability within normal production leadtime.

The availability status of the 12 critical items is shown below.

400.137

15 Jan 76

OASD/ISA(SA)

Classified by \_\_\_\_\_  
SUBJECT TO CONTINUING SCHEDULE OF  
EXECUTIVE ORDER 11652, WHICH MANDATES TO BE UPGRADED  
AT TWO YEAR INTERVALS. DECLASSIFIED ON 31 Dec 82.

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<u>Item</u>	<u>svc .</u>	<u>Production Capacity Committed to Firm Demands Until:</u>	<u>Production Capacity Committed to Firm and Possible Demands Until:</u>
I-60 Tank Chassis	Army	Jan 79	Nov 81
Armored Personnel Carrier	Army	Jan 78	Jun 80
Tank Recovery Vehicle	Army	Sept 78	Jan 80
Artillery Weapons	Army	Dec 77	Apr 79
155MM Howitzer	Army	Jan 78	Nov 82
How Missile	Army	Jan 78	Mar 79
How Launcher	Army	Jan 77	Jul 77
COMM Vulcan.	Army	Apr 77	Aug 78
Trigon Tracker	Army	Aug 78	Oct 80
Guidewinder Missile	Navy	Dec 77	Jan 78
Harpoon	Navy	Sept 79	Jan 82
-16	Air Force	Apr 80	May 85 (1st delv. Apr 80 for 1st 3rd country)

- A delivery commitment to a new FMS customer prior to date when all firm orders are met would require diversion of equipment from US assets. This date varies from 1977 to 1980. Assuming all the FMS customers who have indicated interest in the equipment go on contract, the date the next FMS customer could receive equipment varies from, 1978 to 1985. It is not uncommon to have 20 or more countries requesting these high demand equipments.

The FMS program has become a major tool of U.S. foreign policy. We cannot satisfy all requests for deliveries at the same time from planned production, and with multiple competing demands no single request can be viewed in isolation. What we do for one nation impacts on our ability to satisfy similar requests from other nations.



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- \*Requests for R&D cooperation and co-production involving advanced technology and our first line equipment for FMS are increasing. We must guard against possible **compromise** or an adverse effect on the U.S. production base.
- The procedures used to protect our advanced technology and capabilities from compromise have been determined to be effective. DDR&E, ISA and the Services have senior officials reviewing requests and making releasability recommendations.
- **There** are a number of equipments which are in high demand for FMS where increased production may be warranted. Each case is reviewed on a case-by-case basis. It has **been** our policy not to expand production capacity to meet short term FMS requirements unless a long term stable requirement is assured., Overtime, added shifts, additional facilities or a second source are being **con-**  
**sidered** for the more critical items with various actions underway to help reduce the **long availability leadtime.**

CURRENT STATUS:

A **briefing** on the study has been prepared for you. We are available to present the details of the briefing in a 50 minute, **session** at your convenience.

Amos . . Jordan  
Acting Assistant Secretary of Defense  
International Security Affairs

Prepd by: Col R. Preston/OASD/ISA(SA)  
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Distr:

Orig 1 cc -- Addee

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