



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

INTERNATIONAL SECURITY AFFAIRS

29 SEP 1976

In reply refer to:
I-10566/76

OCT 1 1976

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Message to MOD Leber on HASC Tank Resolution -
ACTION MEMORANDUM

In response to your 28 September guidance, Norm Augustine drafted the message at Tab B from you to Minister Leber concerning the 28 September House Armed Services Committee Resolution on the XM-1 tank program. At Tab A is a more personalized revision to that draft.

Recommend you approve transmitting the text at Tab A as a State Department message to the US Embassy, Bonn, for delivery to Minister Leber.

The Department of State concurs.

APPROVE AS edited OCT 1 1976

DISAPPROVE _____

OTHER _____

Eugene V. McAuliffe
Eugene V. McAuliffe
Assistant Secretary of Defense
International Security Affairs

Coordination:

DDRE See attached.

ASD/LA See attached.

ms
sent a copy to NSC staff for their chop.



SECRET COPY

59/260

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EXDIS
AMEMBASSY BONN
FROM SECSTATE

INFO: USMISSION NATO
AMEMBASSY BONN

REQUEST EMBASSY DELIVER TEXT OF FOLLOWING LETTER FROM SECRETARY RUMSFELD TO MOD LEBER, ALONG WITH THE ATTACHED TEXT OF 28 SEPT SECDEF LETTER TO CONGRESSIONAL XM-1 TANK PANEL, AND THE 28 SEPT RESOLUTION OF HOUSE ARMED SERVICES COMMITTEE.

BEGIN TEXT OF MESSAGE TO MOD:

THE HONORABLE GEORG LEBER
MINISTER OF DEFENSE
FEDERAL REPUBLIC OF GERMANY

DEAR GEORG:

YOU WILL HAVE HEARD BY NOW THAT THE ARMED SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES ADOPTED A RESOLUTION ON SEPTEMBER 28, STATING ITS VIEW THAT CONGRESSIONAL SUPPORT FOR THE XM-1 PROGRAM CAN BEST BE ASSURED BY THE DEPARTMENT OF DEFENSE'S MEETING CERTAIN PRESCRIBED CRITERIA CONCERNING THE PROCUREMENT OF THE TANK, ITS TURRET, GUN AND ENGINE.

BILL CLEMENTS, MARTY HOFFMAN AND I, IN ADDITION TO OTHER DEFENSE OFFICIALS, MADE A MAJOR EFFORT TO PERSUADE THE COMMITTEE THAT THE PROGRAM OUTLINED BY THE ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING



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2

WHICH YOU AND I SPONSORED IN OUR JOINT STATEMENT OF AUGUST 3
WOULD RESULT IN THE MOST COMBAT-EFFECTIVE TANK FOR THE US ARMY
AND WAS THEREFORE IN THE BEST INTERESTS OF THE UNITED STATES,
THE FEDERAL REPUBLIC, AND THE ENTIRE ALLIANCE.

NO RESOLUTION AT ALL WOULD HAVE BEEN IDEAL, ^{our preference, and} WE OPPOSED THE
RESOLUTION THAT ^{did pass,} ~~SUCCESSFULLY DEFEATED~~ ^{a less desirable} ~~A CONSIDERABLY~~
~~WORSE RESOLUTION.~~ ^{was defeated.} WE ARE NOW STUDYING THE TEXT OF THE RESOLUTION
TO DETERMINE WHAT IT MIGHT MEAN WITH RESPECT TO OUR EFFORTS. WE
ARE ALSO ENDEAVORING TO RELATE THIS RESOLUTION BY ONE COMMITTEE
OF ONE HOUSE OF OUR LEGISLATURE WITH PUBLIC LAW 94-361, A STATUTE
ENACTED BY BOTH HOUSES OF THE CONGRESS ON JULY 14, 1976, WHICH
PROVIDES THAT:

" . . . THE SECRETARY OF DEFENSE SHALL, TO THE MAXIMUM FEASIBLE
EXTENT, INITIATE AND CARRY OUT PROCUREMENT PROCEDURES THAT PROVIDE
FOR THE ACQUISITION OF EQUIPMENT WHICH IS STANDARDIZED OR INTEROPER-
ABLE WITH EQUIPMENT OF OTHER MEMBERS OF THE NORTH ATLANTIC TREATY
ORGANIZATION . . . [TAKING] INTO CONSIDERATION THE COST, FUNCTIONS,
QUALITY, AND AVAILABILITY OF THE EQUIPMENT TO BE PROCURED. . . ."

WE SHALL NEED TIME TO COMPLETE A REVIEW OF THE CONSIDERATIONS
INVOLVED AND TO DETERMINE HOW WE SHOULD PROCEED FROM HERE. THE HOUSE



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ARMED SERVICES COMMITTEE IS ONE OF THE PRINCIPAL CONGRESSIONAL COMMITTEES DEALING WITH THE TANK AND WITH ALL OTHER DEFENSE DEPARTMENT PROCUREMENT PROGRAMS. IN THE EVENT THAT THE SENATE ARMED SERVICES COMMITTEE WERE TO EXPRESS ITSELF IN THIS MATTER, THAT TOO COULD AFFECT OUR ~~FUTURE COURSE OF ACTION.~~ ^{the situation,}

THE CONCEPT THAT COMBAT-EFFECTIVENESS CAN BE ENHANCED THROUGH STANDARDIZATION AND ~~COMMONALITY IS,~~ ^{remains sound,} IN MY VIEW, ~~JUST AS SOUND,~~ ~~TODAY AS IT EVER WAS.~~ ~~IT WILL CONTINUE TO HAVE MY FULL SUPPORT AS WE MOVE FORWARD ON THE XM-1 PROGRAM.~~ I SHALL KEEP YOU INFORMED OF FURTHER DEVELOPMENTS.

FOR YOUR CONVENIENCE, I HAVE ATTACHED THE TEXT OF A 28 SEPTEMBER LETTER WHICH I SENT TO THE ARMED SERVICES COMMITTEE XM-1 TANK PANEL PRIOR TO THE VOTE, AS WELL AS THE TEXT OF THE COMMITTEE RESOLUTION.

SINCERELY,
DON RUMSFELD

END TEXT; BEGIN TEXT OF 28 SEPT SECDEF LETTER TO XM-1 TANK PANEL (ATTACHMENT 1).

(INSERT ATTACHED LETTER)

END TEXT; BEGIN TEXT OF COMMITTEE RESOLUTION (ATTACHMENT 2).

(INSERT ATTACHED RESOLUTION)



(Text of 28 Sept 76 SecDef letter to HASC XM-1 panel.)

The report of the XM-1 Tank Panel of the House Armed Services Committee has raised several questions relative to the action on the tank program. The report indicates some misunderstanding of the actions taken, the objective of these actions, the potential effect of the actions and the process by which decisions were taken.

Lest there be any confusion, I am writing [you and Congressman Hillis] to assure you of the following:

- The XM-1 program will proceed into full scale engineering development with a single contractor no later than 17 November 1976. Our objective, as yours, remains to put into the field the most cost-effective tank force at the earliest possible time.
- In discussions with the Federal Republic of Germany, we have pointed toward a turret which is compatible with both 105mm and 120mm guns. We believe this is prudent planning in view of the lower total cost, given that the threat of the late 1980's may well require a gun larger than 105mm. A turret capable of being up-gunned is justified by experience with the M-48 tank design, which is currently being up-gunned from 90mm to 105mm. However, before changing from a 105mm to a 120mm gun on the XM-1, comprehensive proofing and testing is clearly required, and I assure you that that will be the case. We will enter production of the XM-1 in the 105mm configuration; we have never considered doing otherwise.
- The most significant uncertainty in the XM-1 program is that involved in the decision between diesel and turbine power. The former is estimated to have lower initial cost, the latter lower operation and support cost. We will not know which is better on a life-cycle basis until the current evaluation is completed. In any case, the choice will be made based on what is the best power plant for the XM-1; nothing in the addendum to the MOU, or the decision to withhold source selection until no later than November 17, 1976, requires otherwise.



- Before one can assess the combat effectiveness of the various possible configurations, we must await the technical analysis of the proposals. I assure you that we remain committed to the most combat effective tank force possible over the lifetime of a tank that will be in the inventory to the year 2000. The decision in November to proceed to full scale engineering development will be made on that basis.

In short, I believe our objectives and those of the Panel are not far apart.

I hope that these commitments on my part are sufficient to clarify any previous misunderstanding, and thereby assure you and the Committee that your expressed goals for this vital program will be achieved.

Sincerely,



(Text of 28 Sept 76 HASC Resolution)

Whereas the House Committee on Armed Services has reviewed the findings and recommendations of the panel on the XM-1; and

Whereas the Secretary of Defense has stated on repeated occasions that it is his desire to cooperate with, and to seek the support of the Congress with regard to the XM-1 program, and the implementation of the addendum to the Memorandum of Understanding (MOU) with the FRG;

NCW THEREFORE BE IT RESOLVED that the Committee inform the Secretary of Defense:

- (1) That, while it fully supports the underlying goal of standardization which prompted the addendum to the Memorandum of Understanding with the Federal Republic of Germany (FRG), the Committee regards the decision-making time-table prescribed in that addendum as premature and potentially in conflict with the overriding objective of the XM-1 program which is to field the most cost-effective main battle tank at the earliest possible date, and;
- (2) That it is the position of the Committee that that overriding objective of the XM-1 program must take precedence over secondary objectives such as standardization or interchangeability of components.

BE IT FURTHER RESOLVED that the Committee inform the Secretary of Defense that the congressional support he seeks for the XM-1 program can best be assured by his responsiveness to the following guidelines:

- (1) The XM-1 program should proceed into Full Scale Engineering Development with a single contractor as quickly as possible, but in no event later than November 17, 1976;



- (2) In making the selection between alternative proposals, the Source Selection Authority should select that proposal which offers the best possibility of achieving the primary objective of the XM-1 program, even if that selection is in conflict with the terms of the addendum to the Memorandum of Understanding with the FRC;
- (3) If one of the standardization proposals is selected as best meeting the primary program objective, Full Scale Engineering Development should serve as a basis for comparative testing of the basic XM-1 turret and the dual-capable turret. The final decision as to which turret should be incorporated in the initial production of the XM-1 should be based solely on the actual results of testing during Full Scale Engineering Development;
- (4) The commitment to agree with the FRG on a specific 120mm gun configuration by January 15, 1976, was not justified to the Committee on the basis of known military requirements. Therefore, the Committee cannot support or fund any such commitment until:
- (a) alternative 120mm gun systems have been comprehensively tested and evaluated by the Army, and;
 - (b) one of those alternative 120mm gun systems has clearly demonstrated superior combat effectiveness over the present 105mm gun and its future improved ammunition;
- (5) The testing and evaluation of alternative 120mm gun systems should be conducted as a parallel program, separate and apart from the funding of the XM-1 program; and should commence only after congressional approval of a reprogramming action, or through the normal authorization and appropriation process;



- (6) The Committee believes that the Army can choose now, on the basis of hard test data, between the diesel and turbine engine, and that it should do so without regard to which engine is compatible with the addendum to the Memorandum of Understanding;
- (7) The Committee believes that the source selection process should be restructured to provide independent input from the user elements of the Army. As a minimum, this should involve full access to actual test reports by the commands represented on the ASARC to assure that the Source Selection Authority has the benefit of independent systems evaluations.



Exclusive For
Ambassador Hillebrand
From Sec State

SecDef requests that Embassy deliver text of following message to MOD Leber,
along with the texts of 8 Sept SecDef letter to Congressional XM1 Tank Panel
and 28 Sept resolution of House Armed Services Committee, forwarded by Septel.

Begin Text:

Dear Georg,

The US House of Representatives Armed Services Committee today adopted a resolution
which could impact ^{with} our recently concluded Addendum to the MOU on Tank Harmonization,
depending in part upon what future action might be taken by the Senate. While the
resolution fully supports the goal of standardization of NATO weapon systems, it
indicates concern that the timetable in the Addendum might overly constrain the
consideration of all possible alternative components. Our assessment of the full
impact of the resolution on the XM-1 program is still in progress. ^{It} During the
past month the Department of Defense has devoted considerable effort in attempting
to gain Congressional support for the US-FRG tank harmonization program. I have
asked Ambassador Hillebrand to provide you with the text of a letter which I sent
to the Armed Services Committee XM1 Tank Panel this morning prior to the vote, as
well as the text of the Committee resolution. ^P I continue to consider NATO standardiza-
tion a matter of the utmost importance in contributing to the combat effectiveness of
the Alliance. We will keep you informed promptly of further developments.

Sincerely,

Donald Rumsfeld

End Text

