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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

2 June 1981

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MEMORANDUM FOR THE RECORD

SUBJECT: Saudi AWACS Negotiations/Assurances (U)

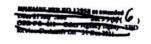
(8) On instructions from the ASD/ISA on 2 April, I directed the preparation of a draft (think piece) Memorandum of Agreement which was to contain all the safeguards one might achieve under ideal circumstances with respect to a Saudi AWACS sale. This first iteration document is at TAB A. Subsequent to strong State Department demands for such a strawman document with which to begin working the problem, our draft Memorandum of Agreement was forwarded to State and their marked up version returned to NESA in late April (TAB B). Neither of these documents has ever been used with or shown to the Saudis.

(9) The negotiations carried out to date with the Saudis (Prince Bandar Sultan) have been conducted by me utilizing talking points as indicated at the document at TAB C. My discussions with Prince Bandar were carried out subsequent to personal direction from the SecDef in a meeting on 21 April.

I then met with Bandar Sultan on 21, 22 and 23 April. The bottom line from these meetings was an agreement, in principle (oral), which Bandar said he was empowered to conclude which contained the following elements:

- 1) A detailed government-to-government agreement on data sharing would be concluded;
- 2) A comprehensive agreement would be concluded with respect to third country exclusions; and
- 3) A General Security of Information Agreement, government-to government, would be concluded.
- (3) Shortly after these discussions with Bandar, the Interagency Task Force was formed, and I was directed to place on hold any further negotiations.

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(9) In subsequent discussions during several trips by Bandar to the U.S., I gained the impression that, owing to discussions with Senator Baker and some other high ranking U.S. officials, Bandar now believes that there is less need for specific written assurances between the two countries. (Most in State Department believe that specific agreements, i.e., and General Security of Information Agreement would be a prerequisite to obtaining support on the Hill.)

(8) In a message received from Bandar 1 June, I was informed that he will be back in Washington the afternoon of 2 June and will be talking with me late on 2 June in order to readdress where we stand with respect to a "game plan" on AWACS and assurances. The implication is that Bandar may be operating under new guidance.

[5] In accordance with 1 June guidance from the USDP, I will begin work with Bandar in order to gain agreement

Major General, USAF Acting Deputy Assistant Secretary

Attachments a/s

Office of the Prefetary of Pefense

Chief, RDD, ESD, WIIS

Date: 0274 2018 Authority: 130 13526+ 5529

Declassify: Deny in Full:

Declassify in Part: Reason: 3,366

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