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DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

19 JUN 2002

In reply refer to:  
I-02/008697-ER

Lt Gen Resat TURGUT  
Chief, Plans and Principles  
Turkish General Staff  
Ankara, Turkey

DECLASSIFIED IN FULL  
Authority: EO 13526  
Chief, Records & Declass Div, WHS  
Date: JUN 04 2014

Dear General TURGUT

Thank you for your letter of 27 May 2002 requesting an update on our on-going efforts regarding military assistance to Turkey and in particular, the Turkish General Staff's (TGS) prioritized list of requirements that your defense attaché provided the Department of Defense (DoD) last fall.

The U.S. Government greatly values its strategic partnership with Turkey. In recognition of Turkey as a key ally, last fall DoD began working with other U.S. government agencies to identify potential areas of support to Turkey. As part of this effort, DoD asked Turkey's defense attaché in Washington to provide a prioritized list of TGS's requirements to ensure areas of assistance DoD was examining were consistent with support Turkey desired. My intention, as stated by the US team that met with your defense attaché, is to support all assistance possible for Turkey within the limitation of USG laws.

TGS's list is broad and covers a number of issues beyond the purview of the Defense Department. A number of items on the list are not currently available. However, I want to treat your list as a living document and continue to support the various items with the hope that some will become available in the future.

Let me briefly address the top priorities on the list. The number one priority, debt forgiveness, requires the U.S. Congress to authorize and appropriate funds to liquidate the debts being forgiven. The significant impact debt relief would have on our budget makes congressional support unlikely. That said, DoD appreciates the importance Turkey attaches to reducing its debt. DoD supported the Administration's request that Congress provide Turkey \$200 million in Economic Support Funds to help Turkey reduce its balance of payments deficit. The request is part of the Administration's Fiscal Year 2002 (FY02) supplemental legislation currently before our Congress. I expect Congress to approve these funds.

Immediately following debt forgiveness on TGS's priority list is Turkey's desire to have the grant Foreign Military Financing (FMF) program restarted. Restarting FMF on a grant basis also requires the support of Congress. In this area I am pleased to note the USG has responded positively to Turkey's request. Last fall, we provided Turkey \$20 million in FMF grant funds. More recently, the Administration requested as part of the FY02 Emergency Supplemental Bill that Congress provide Turkey \$28 million in FMF grant funding to assist with Turkey's role in the International Security Assistance Force in Afghanistan. The Administration's budget request to Congress in FY03 includes \$17.5 million of grant FMF for Turkey.

Office of the Secretary of Defense  
Chief, RDD, ESD, WHS  
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DoD strongly supports Turkey's request to purchase additional Seahawk helicopters. However, I was recently told that it is unlikely EXIM Bank's Board of Directors will extend the period of performance on the previous loan facility for a duration that will permit the use for this new procurement. Congress has made it clear recently that EXIM Bank loans are not for procurement of military equipment and is closely scrutinizing EXIM Bank activities in this area.

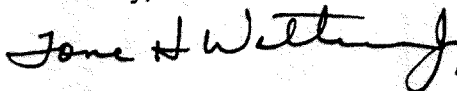
The IMET increase was a huge success for the Administration and Turkey. Turkey continues to be the number one recipient of IMET funding in the world, a clear sign of the value the U.S. places on its strategic partnership with Turkey. We successfully increased the IMET budget for Turkey from \$1.7 million in FY01 to \$2.7 million in FY02. The Administration's request for IMET funding for Turkey in FY03 is \$2.8 million, again the largest request for any country in the world. We will continue our efforts to increase this further.

Technology transfer is another area in which we continue to strongly support Turkey. This is less tangible than other items on your list. As you know, both the AH-1Z ATAK helicopter and the AEW programs were originally identified as FMS only. At the request of Turkey, we made significant compromises to make the systems available via Direct Commercial Sales. The U.S. teams openly addressed technology issues with Turkey and believe we have reached a position that meets our security requirements while also permitting Turkey to meet hers. From discussions with the contractors, I understand the contract negotiation issues have largely been related to terms and conditions in the contracts themselves and not release of technology. On the AEW program, I was pleased to learn that SSM and Boeing recently signed a contract for four aircraft. I want to thank you for your personal and highly constructive involvement in helping the two sides conclude the negotiations, and can assure you DoD will do everything to support prompt congressional approval and issuance of an export license.

My staff has prepared a matrix (attached) identifying the status or way ahead for all the items on your list. Some of the equipment, such as the UH-1H helicopters, is available for transfer under the Excess Defense Articles program. Others, such as Hellfire missiles, are not excess to U.S. defense needs but are candidates for purchase by Turkey. Since we believe this is a living document, our two staffs should work closely to keep the list current.

Please do not hesitate to contact either Maj Gen Peterson or myself if you have any additional questions or require additional assistance.

Sincerely,



TOME H. WALTERS, JR.  
LIEUTENANT GENERAL, USAF  
DIRECTOR

Attachment as stated.

Copy to: ODC, Ankara  
OSD/ISP

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Item Number	Item	Approximate Cost	Discussion
1.	Forgiveness of FMS loans and interest on the loans		<ul style="list-style-type: none"><li>- Unlikely to happen based on the significant impact debt forgiveness would have on the US Budget.</li></ul>
2.	Conversion of U.S. contribution to the Turkish Defense Fund from loans to grants	\$350M	<ul style="list-style-type: none"><li>- Linked with #1 above.</li><li>- FY02 Emergency Supplemental includes \$200 million in Economic Support Funds as a vehicle for use to pay down existing debt.</li></ul>
3.	Security assistance, all in grant form, by taking into consideration the security assistance given Israel and Egypt.		<ul style="list-style-type: none"><li>- DoD is supporting the effort to restart grant FMF for Turkey.</li><li>- Administration provided \$20 million grant FMF in fall 2001.</li><li>- Administration requested \$28 million grant FMF for Turkey as part of FY02 Emergency Supplemental.</li><li>- The FY03 President's Budget includes a request for \$17.5 million grant FMF.</li></ul>
4.	Grant Patriot Air Defense System under the scope of Excess Defense Articles program.	\$1B	<ul style="list-style-type: none"><li>- No Patriot Air Defense Systems are available as Excess Defense Articles.</li></ul>
5.	Extend US ExImBank loan period for the second package (8+6) of Sikorsky SEAHAWK helicopters.	\$300M	<ul style="list-style-type: none"><li>- Amb Pearson sent letter to EXIM Bank CEO/Chairman in October 2001 requesting extension.</li><li>- DoD and State Department briefed EXIM Bank on program and recommended extension.</li><li>- Despite no congressional support to allow use of EXIM Bank loans to procure military equipment by any country, DoD will continue to support Turkey on this request.</li></ul>

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6.	Bring the IMET program to the 1980's level.	\$3M/yr	<ul style="list-style-type: none"><li>- Turkey is the #1 recipient of IMET from the US.</li><li>- Successfully increased funds from \$1.6 million in FY01 to \$2.7 million in FY02, request for FY03 is \$2.8 million.</li></ul>
7.	Grant privileged country status, like Israel, in defense technology transfer to Turkey.		<ul style="list-style-type: none"><li>- Turkey, as a NATO ally, already enjoys a privileged technology transfer status greater than Israel and has fewer technology transfer restrictions than Israel.</li></ul>
8.	<b><u>Items to be acquired for TLFC under grant:</u></b>		
a.	12 AH-1F Cobra Attack Helicopters.	\$14.7M	<ul style="list-style-type: none"><li>- Excess AH-1Fs are available.</li><li>- US law requires SECDEF to make every effort to have the helicopters brought up to US standards prior to transfer to a foreign government.</li><li>- Refurbishment: \$11.1M, Six months of Spares: \$3.6M.</li><li>- Not upgradeable to AH-1Z configuration.</li><li>- Sufficient FMF not currently available to cover cost, candidate for funding with FY03 FMF if appropriated by Congress.</li></ul>
b.	40 UH-1H helicopters	\$33.3M	<ul style="list-style-type: none"><li>- Limited availability based on deactivation method, Army is deactivating and sending directly to DRMO. This is a timing issue.</li><li>- US law requires SECDEF to make every effort to have the helicopters brought up to US standards prior to transfer to a foreign government -- Turkey may have in-country capability.</li><li>- Refurbishment: \$33.3M.</li><li>- FMF funding not currently available to cover all costs.</li></ul>

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c.	Provision of NBC supplies in the quantities to be determined by TGS.		<ul style="list-style-type: none"> <li>- Turkey may have met this requirement with funding from the FY01 supplemental.</li> <li>- Turkey must identify remaining needed supplies.</li> </ul>
d.	Lifting of restrictions in the ATAK helicopter project.		<ul style="list-style-type: none"> <li>- DoD changed AH-1Z from FMS to DCS with only key systems required through FMS program.</li> <li>- DoD position allows co-production.</li> <li>- Third country transfer rules are based on US law, not policy.</li> <li>- U.S. will provided timely response to GOT's third county transfer and retransfer requests consistent with U.S. laws.</li> </ul>
e.	144 each Hellfire and 108 each Sidewinder missiles under procurement.		<ul style="list-style-type: none"> <li>- DoD has no Hellfire or Sidewinder missiles available EDA.</li> <li>- Turkey could apply FMS funds proposed in the President's FY03 budget if Congress appropriates funds.</li> <li>- Hellfire missiles: \$100K each.</li> </ul>
f.	1128 each A, B, and C Kits used in the UH-1 modernization.	\$77.4M	<ul style="list-style-type: none"> <li>- DoD does not have upgrade kits in inventory, requires a new procurement.</li> <li>- Only one kit is available: FY02 price for 39 kits is \$53M.</li> <li>- Overhauled engines required for the upgrade: \$24.4M for 75 engines.</li> </ul>
g.	SADARM munitions fired with 155mm howitzers and M718/741 mines.		<ul style="list-style-type: none"> <li>- SADARM Failed OT&amp;E, DoD stopped development and item is not available for procurement.</li> <li>- M718/M741 no longer in production.</li> </ul>
h.	Anti-radar, anti-thermal/infrared camouflage nets.		<ul style="list-style-type: none"> <li>- Item is available.</li> <li>- Need Turkey to identify quantity (quantity determines pricing).</li> <li>- Estimated unit cost is \$810/unit.</li> </ul>

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i.	Raw material for composite helmets and vests.		<ul style="list-style-type: none"> <li>- Insufficient information was provided to evaluate this request.</li> <li>- Need Turkey to identify what type of material, quantity, etc, is required.</li> </ul>
j.	V(8) mode AN/TPQ-36 mortar tracking radar, modernization of existing models into V(8) models.	\$32.5M	<ul style="list-style-type: none"> <li>- Four currently on TK-B-JAY for Jun 02 delivery.</li> <li>- 3 new assets: \$7.5M.</li> <li>- Upgrade 11 existing radars: \$25M.</li> </ul>
k.	Natural disaster search and rescue equipment.		<ul style="list-style-type: none"> <li>- Insufficient information was provided to evaluate this request.</li> <li>- Need specifics on what equipment, quantity, etc., is required.</li> </ul>
l.	Portable satellite ground terminal (Ku Band YUYT), HF manpack long distance radio, GPS with PPS crypto feature, encrypting apparatus (KYK-13, KOI-18, FILL-GUN)		<ul style="list-style-type: none"> <li>- Mobile Ground Terminals: \$50K/ea.</li> <li>- HF Manpack Radios with GPS/Encrypt: \$25K/ea.</li> <li>- Quantity required was not identified.</li> </ul>
9.	<b><u>Items to be procured for TNFC under grant:</u></b>		<ul style="list-style-type: none"> <li>- One PERRY Class Frigate was already transferred as a sale, it is no longer eligible for transfer as a grant.</li> <li>- Second PERRY Class Frigate is currently not available due to homeland defense requirements.</li> </ul>
a.	Conversion of the sale of 2 PERRY Class Frigates into grant.		<ul style="list-style-type: none"> <li>- One PERRY Class Frigate was already transferred as a sale, it is no longer eligible for transfer as a grant.</li> <li>- Second PERRY Class Frigate is currently not available due to homeland defense requirements.</li> </ul>
b.	Procurement of SM-2 and application of SM-2 modification on G-Class vessel systems.	\$324 million	<ul style="list-style-type: none"> <li>- Includes modification of 7 ships with 10 missiles/ship.</li> <li>- DoD position is that the missile is releasable to Turkey.</li> <li>- Full release requires interagency staffing.</li> </ul>

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c.	US meet the related expenses in connection with the AEW project, those that need to be met from FMS.		<ul style="list-style-type: none"><li>- US laws prohibit providing goods and services on a non-reimbursed basis.</li><li>- FMS related effort might be eligible for use of grant FMF depending on any congressional language associated with the appropriation.</li></ul>
d.	Relax the restrictive rules on technology transfer for EW and AEW projects.		<ul style="list-style-type: none"><li>- The EW policy was relaxed to permit use of a foreign system provided US security concerns are addressed.</li><li>- US changed AEW availability from FMS only to a hybrid DCS/FMS program to meet Turkey's request.</li><li>- As a NATO member, Turkey benefits from the least restrictive technology transfer policy.</li></ul>
e.	Provide financial support on the procurement of training aircraft and stand-off munitions and make tech transfer easier.		<ul style="list-style-type: none"><li>- Turkey has not identified training aircraft requirements.</li><li>- Aircraft and quantity requirements are unknown.</li><li>- DoD supports Turkey's requirement for stand-off weapons.</li><li>- Release requires interagency staffing and approval.</li><li>- Modifications to the Operational Flight Program may be required to make full use of stand-off weapons.</li><li>- The level of funding required for this effort likely exceeds possible annual FMF funding levels.</li></ul>

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c.	Update of vessel radar and EDT (SYS-2/TMS, MK 02 ORDALT, AN-SLQ-32A for AN/SPS-49), new engines for Sea Sparrow missiles.	\$36.9 million	<ul style="list-style-type: none"><li>- Updates to ship radars and EDTs are possible.</li><li>- The following upgrades are required to bring all seven PERRY Class frigates to the highest common configuration: Upgrade mod 2 FCS to Block II on six ships (\$1.3M); Upgrade Mk13 Mod 4 launcher to Block 8 on four ships (\$3.3M); Upgrade AN/SLQ32 EW to 32A on six ships (\$11.3M); and incorporate Track Management System on seven ships (\$19.5M).</li><li>- Engine modification for the Sea Sparrow missiles are on order under a current FMS case with Apr 03 delivery (\$1.5M).</li></ul>
d.	Procurement of 4-6 Cyclone Class Patrol Boats		<ul style="list-style-type: none"><li>- None available, required for homeland defense.</li><li>- High operating expense.</li></ul>
e.	Procurement of Safeguard Class Rescue Boats and POWAHATAN Class Tugboats.		<ul style="list-style-type: none"><li>- None available.</li><li>- DoD will continue to monitor for future availability.</li></ul>
10.	<b><u>Items to be procured for TAFC under grant:</u></b>		
a.	Provisions of 400 each PGM-130, 100 each PGM-142, and 1000 each CBU-87 as precision guided munitions.		<ul style="list-style-type: none"><li>- DoD supports Turkey's PGM-130 and PGM-142 requirement.</li><li>- Release requires interagency staffing and approval.</li><li>- If approved, this capability would not be released until OFPs are modified for use of the weapon.</li><li>- DoD will support CBU-87 release, but political opposition in the U.S. makes it unlikely in the near future.</li></ul>
b.	Provide dependable undertaking for modernization of F-16 electronic warfare and avionics systems.		<ul style="list-style-type: none"><li>- FMS related effort might be eligible for use of grant FMF depending on any congressional language associated with the appropriation.</li></ul>

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