



INTERNATIONAL SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

SECRETARY OF DEFENSE

#75

Folios "NATO 40-450
1976, Box 77, 78 009

In reply refer to:
I-13159/76
20 DEC 1976

MEMORANDUM FOR DEPUTY SECRETARY OF DEFENSE CLEMENTS

SUBJECT: Management of US Negotiations on NATO AEW -- ACTION MEMORANDUM

As you know, Ministers determined on December 8 that "high-level national experts" convene in early January in order to examine the financial aspects of the NATO AEW program, including sharing of acquisition costs and the phasing of national contributions. Ministers further directed that the experts conclude their work as soon as possible in order that Defense Ministers may convene again shortly thereafter, "to come to decisions for endorsement through national processes." NATO Assistant Secretary General LaBerge is proposing a series of meetings of experts to begin in Brussels January 11/12, that the experts conclude their work that month, and that national representation should be at the level of Financial Comptrollers or Deputy Financial Comptrollers in national Ministries of Defense (See Tab A).

Recommendation: I recommend that for the upcoming critical phase of NATO AEW negotiations you assign overall responsibility to the Assistant Secretary (I&L), Mr. Frank A. Shrontz, with Mr. Dale R. Babione, Deputy Assistant (Procurement) serving as chief negotiator until such time as an agreement to procure a NATO AEW system is reached. At that time Air Force should assume responsibility for further oversight of US participation in the NATO AEW program. Principal considerations are as follows:

a. Level: OSD is and must remain the principal point of contact with Alliance MOD's and with the Department of State concerning negotiations within and among the Alliance relating to NATO AEW. During the critical period remaining before a final Alliance decision, an OSD official should retain this responsibility.

b. Rank: The FRG and UK are appointing chief negotiators for the January meetings as follows: FRG MOD Comptroller Padsberg and UK MOD Assistant Undersecretary in the Procurement Executive Bielloch (who is also UK Representative on the NATO High Level Group on NATO AEW). Other nations' negotiators are not yet designated but are certain to be of equal or higher rank.

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c. Experience: Mr. Schrontz is expert in the area of international negotiation of multilateral programs, as demonstrated by his oversight of the F-16 program prior to its final adoption by consortium countries. Mr. Bablone is very experienced in the area of procurement and programs.

Approve _____

Disapprove X

Attachments
a/s

Ernest V. McAuliffe
Assistant Secretary of Defense
International Security Affairs

Coordination:

DDR&E, Dr. Currie *Currie*

I&L, Mr. Schrontz *(See attached "Eyes Only" memorandum)*

Secretary USAF, Mr. Reed *OR*

Chief of Staff USAF, General Jones *Dej*

DSAA, Lt Gen Fish *LM Fish*

Office of the Secretary of Defense SU. S.C. 5562
Chief, RDD, ESD, WHS
Date: 14 Sep 2018 Authority: EO 13526
Declassify: X Deny in Full: _____
Declassify in Part: _____
Reason: _____
MDR: 18 -M- 2089

Because of Frank's leave status
it is possible employment status
he should NOT be in this — Best then
in my judgment would be Fish a
#1 update on #2

12.12.76