



DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
WASHINGTON, D. C. 20301

#67

File "NATO 400-497 1975"
Box 75, 78-0058, 330

8 JAN 1975

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Preliminary US Position - NATO AWACS
ACTION MEMORANDUM

The formal US proposal in October 1973 to collaborate with other NATO nations in procuring a force of NATO-dedicated AWACS initiated a number of NATO sponsored activities. These are scheduled to crystallize in Spring 1975. Now a committee has been established under the aegis of the Conference of National Armament Directors to address problems associated with funding, ownership and management of this prospective force. These deliberations will commence on January 16, 1975.

I believe the proposed US positions attached to this memorandum are fair and equitable, from the standpoint of the US and our NATO allies as well. If accepted by NATO, they have the potential to substantially enhance the military effectiveness of NATO forces through a reasonable and mutual increased commitment.

I therefore recommend your approval of these positions for use by the US delegate.

Malcolm R. Currie
Malcolm R. Currie

Attachment

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: SEP 20 2018

Approved

W.P. Clement
1-14-75

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 20 SEP 2018 Authority: EO 13526 + 5 U.S.C.
Declassify: ☒ Deny in Full: ☐ §552
Declassify in Part: ☐
Reason: ☐
MDR: 18-M-2081

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SEC DEF CONTR NO. X-0057

UNCLASSIFIED

18-M-2081

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PRELIMINARY US POSITION
NATO AWACS

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Authority: EO 13526
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Date:

SEP 20 2018

The US proposes to collaborate with other nations of the North Atlantic Alliance for the procurement, maintenance, and operation of a force of Airborne Warning and Control System (AWACS) aircraft, to be designated under the control of SACEUR, SACLANT and/or CINCHAN as deemed appropriate by the NATO Military Committee. The US recommends that initial consideration be given to a force level of 32 NATO AWACS.

Of these 32 aircraft, a proportionate share would be purchased, owned, and operated by the US under full-time commitment, wartime and peacetime, to the designated NATO military commander. These would be in addition to whatever AWACS force the US procures in order to meet its non-NATO requirements. Similarly it is our understanding that the UK may wish to purchase, own and operate a national force of AWACS, one portion of which might be dedicated to NATO, while the remaining aircraft would be under the direct control of national authorities.

Two suggested alternative approaches for procurement of the remaining NATO AWACS are:

(1) Procurement costs associated with the 32 NATO-dedicated aircraft, less those directly funded by the US and UK, could be shared by the remaining participating nations in proportion to their established contributions to infrastructure-like programs. These aircraft would be collectively owned by all participating nations and would become an Alliance asset rather than the property of individual nations.

(2) Other nations and/or consortia could purchase and own the remaining AWACS which would be committed to NATO. Under this arrangement nations initially contributing more than their proportionate shares would receive credit; those contributing less would be debited. The residual credits and debits could be liquidated through outyear adjustments in NATO operating or capital expense military budgets.

Terms of the previous US proposal (AC 224-D/292) remain in effect. A key aspect is that the US will waive recoupment of sunk US R&D expenditures, other than a four-percent R&D surcharge.

It is proposed that the procurement schedule be initiated in the US fiscal year which begins on October 1, 1976. The minimum practical production rate would be six aircraft every year, beginning with the US NATO

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commitment, followed by the UK NATO and national buys and the remainder. Costs would be based on an average per-unit price over the total buy of UK plus NATO-committed aircraft, calculated on a constant-year dollar basis. Payment would be due from the US, UK, and remaining nations as appropriate by the beginning of the fiscal year in which the corresponding aircraft are to be procured.

The US offers to operate and/or maintain all or any fraction of the NATO-dedicated AWACS force in return for annual reimbursement for these costs from the NATO military budget or owner nations.

Costs associated with integration of AWACS with the ground environment could be provided for through NATO infrastructure or on a national basis, there being precedents established for either approach.

According to the original US proposal to NATO on this subject in October 1973, the US will continue to support the maximum practical level of participation by European industry.

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Date: SEP 20 2010

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