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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

18 APR 1983

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: The President's Meeting With Chancellor Kohl (U)

(P) During Kohl's visit in November, the President decided to defer raising our Master Restationing Plan (MRP)--constructing new facilities for three of our brigades closer to their combat positions along the East German-West German borders--until after the March 6th elections. I believe it is imperative that the President raise the subject during his meeting this week with the Chancellor. Without Kohl's personal support, there is no chance of getting his Ministries to agree to a cost-sharing arrangement this year, which we need to get Congress to release the FY 1983 funds for the program.

(P) As you know, we have tried to limit the financial and political implications for Bonn by reducing the scope of the MRP and we would be willing to spread the German share of the costs over five years or more beginning in 1985.

(P) Also, to avoid complicating the already sensitive political situation in Germany, we would be prepared to treat an MRP agreement discreetly until after the INF deployments in December.

(P) I have drafted a letter to Manfred Woerner which stresses the importance we attach to the MRP by noting that the President intends to raise it with Kohl. I would like to send the letter before my Friday meeting with the Chancellor, since it could serve as a vehicle for my raising it with him and to which the President could also refer. The President need not get involved in any details about the plan, but simply stress its importance to him and our need for Kohl's support.

(U) I would appreciate your letting me know your views on this approach before Friday's meeting.

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Chief, Records & Declass Div, WHS  
Date:

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- Enclosures:  
(1) Letter to Woerner  
(2) Talking Points  
(3) Background Paper

330-85-0523, bk 8, Germany (May-June)

Office of the Secretary of Defense 5 U.S.C. 9552  
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DEFINITION

13 APR 1983

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See Def Cont No. X25041  
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## PROPOSED FUNDING PROFILE

The total cost of the Master Restationing Program (MRP) in 1983 constant dollars is \$2.63 billion. During the approximately one year that we have been seriously discussing the issue, some progress has been made in agreeing to national funding responsibilities.

The US has agreed to pay the lease costs for the build-to-lease family housing that will be constructed to support the brigades. These costs total approximately \$.73 billion. Funding for the base operations of the facilities is also a US cost. We estimate that these costs will total \$.5 billion for a 10 year period. The US also recognizes that it is our responsibility to pay for construction costs for community support facilities. These facilities include commissaries, PX's, education centers, et. al., and will add an additional \$.45 billion to US costs. In sum, total US costs amount to \$1.68 B or 64% of the total cost of MRP.

The German government has agreed to pay the costs of infrastructure for the new facilities. Included in this category are utility hook-ups and road and rail connections. These costs are estimated to be \$.1 billion. We have proposed that the German government pay for the cost of constructing the facilities required for headquarters, maintenance and supply and troop billets and mess. We estimate the total cost for these facilities at \$.85 billion. Should the German government agree to fund this construction, the total German bill would be \$.95 billion or 36% of the total.

We propose that German funding begin in 1985 with a contribution of \$52 million. This relatively modest amount will unlock the US share of \$26.5 million appropriated in 1983, but unable to be spent until an agreement is reached, and the \$46 million proposed for 1985. The German contribution would increase in 1986 and continue at least through 1991. Exact details of the funding arrangement would be subject to negotiation.

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PROPOSED FUNDING PROFILE

Total Cost of MRP

\$2.63 Billion

- US has agreed to pay:
  - Family Housing \$ .73 B
  - Base Operations .50 B
  - Community Support Construction .45 B
  - \$1.68 B 648
- Germany has agreed to pay:
  - Infrastructure \$ .1 B
- Proposed additional German funding:
  - Operations/Troop Support Construction \$.85 B
  - \$ .95 B 368
- German funding begins in 1985 with \$53 million and extends through 1991.
- FY 1983 constant dollars. \$1 = DM 2.20

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