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LIST OF A NUMBER OF OPERATIONAL  
ISSUES DISCUSSED DURING THE COURSE OF THE VISIT OF  
PRIME MINISTER SHAMIR TO WASHINGTON  
NOVEMBER 27-30, 1983

DECLASSIFIED-IN-FULL

Authority: EO 13526

Chief, Records & Declass Div, WHS

Date: DEC 07 2018

-- With an intention of continuing to enable Israeli industry to participate in the production of weapons systems purchased by Israel from U.S. firms, the United States will allow Israel to direct offsets in connection with sub-contracts in Israel for up to 15% of the aggregate value of commercial defense contracts signed by Israel with U.S. firms and approved for financing by the United States during the balance of FY 1984, with an effective date of 29 November 1983. Sales under the FMS program will continue to be governed by Defense Acquisition Regulations, but with the intention of encouraging wherever appropriate the kind of competitive arrangements developed for the F-16 aircraft contract.

-- The United States shall make available up to \$300 million for research and development for the LAVI program in the United States and \$250 million for procurement of defense articles and services in Israel for the LAVI program.

-- Decision has been deferred on Phase III-technology transfer that would permit production in Israel of wing and tail assemblies for the LAVI program.

-- With regard to procurement of goods and services for U.S. forces abroad, Israel is encouraged to participate in bids for the supply of goods and services for U.S. forces deployed outside CONUS. The United States Government will discourage barriers that might prevent Israeli firms from being awarded these contracts on a competitive basis.

-- The U.S. Administration has approved offshore expenditures of \$200 million related to Israel's redeployment from the Sinai.

-- In order to facilitate Israeli sales to the Department of Defense on a competitive basis, the MOA dated March 1979 will be renewed in a way that will open up more opportunities for Israeli firms. If necessary the agreement can be reviewed after two years and, if the results are not deemed satisfactory, adjustments made.

-- The United States has taken a positive position regarding the establishment of a Free Trade Area with Israel and is prepared to begin negotiations on it with the aim of completing them within a relatively few months. Any agreement would be subject to Congressional approval and GATT waiver.

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-- The United States reaffirms its commitment to the maintenance of Israel's qualitative edge in defense capability over its adversaries. Pursuant to this, sympathetic review will be accorded to present and future Israeli requests for the supply of weapons and related technologies.

-- At the end of the discussions, it was noted that the FMS aid level of FY 1985 was still under consideration. The United States made clear that it anticipates considering the ESF level within the context of the Israeli economic program.

-- A number of other matters were discussed, on some of which there was no agreement.

Office of the Secretary of Defense  
Chief, RDD, ESD, WHS  
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