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Collection Name EXECUTIVE SECRETARIAT, NSC: AGENCY FILE

Withdrawer

RBW 5/21/2013

File Folder SECRETARY WEINBERGER'S WEEKLY REPORT
(02/04/1984-03/02/1984)

FOIA

M453

Box Number 7

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
159636	MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES PAR 8/22/2016 M453/7	6	2/3/1984	B1
159637	MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES R 2/8/2016 M453/7	8	2/17/1984	B1
159638	MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES PAR 12/9/2022 M453/7	8	2/24/1984	B1
159639	MEMO	CASPAR WEINBERGER TO RR RE. WEEKLY REPORT OF DEFENSE ACTIVITIES R 10/25/2019 M453/7	7	3/2/1984	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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THE WHITE HOUSE
WASHINGTON

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February 4, 1984

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. MCFARLANE
SUBJECT: Secretary Weinberger's Weekly Report

Attached is Cap Weinberger's Weekly Report for Friday,
February 3, 1984.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

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DECLASSIFIED
Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2008
BY NARA RW, DATE 5/21/13

MEMORANDUM

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THE WHITE HOUSE

WASHINGTON

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Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2003
BY NARA *BW* DATE 5/21/13



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E.O. 12958
As Amended
Sec. 3.3 b(6)

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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

159636

04 FEB 3 P8: 33

February 3, 1984

STATION ROOM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities (U)

Legislative Affairs: We presented the FY 1985 Defense budget formally this week as General Vessey and I testified at hearings before the Senate Armed Services Committee on Wednesday and the House Armed Services Committee on Thursday. Before the hearing on Wednesday, I had a working breakfast at the Pentagon with members of the Senate Armed Services Committee, Senators Warner, Jepsen, Quayle, Wilson, and Bingaman. The session was especially valuable in discussing budget issues with John Warner, who is taking an increasingly active role in the committee's affairs.

At the Senate hearing, we were very warmly received by Chairman John Tower, who acknowledged the success of our defense rebuilding program and cautioned his committee against making cuts, at least before they had seen the extensive Soviet threat briefings. The questioning was very thorough and especially supportive by a majority of the committee's Republican Senators. The press reports, of course, covered mainly the negative comments, but there was a lot of support and Senator Tower, afterwards, told me it was the best presentation he had heard. Special attention was given to your Strategic Defense Initiative and current activities in Central America and Lebanon.

On the House side, we were again warmly received by a majority of the Armed Services Committee members. There was strong support given to the strengthened U.S. defense posture throughout the world today. There were, of course, some individuals at both the House and Senate hearings who called for reductions in our Defense request, but not a single suggestion was made to cutback on an urgently needed weapon system or essential U.S. worldwide commitments. (U)

Visit with Japanese Foreign Minister Abe: I had a very candid, cordial, and fruitful discussion with Foreign Minister Abe last Friday afternoon. We initially discussed Japanese Government budget efforts, which resulted in a 6.55 percent nominal increase in their defense budget. Minister Abe

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BY RW NARA DATE 8/22/16

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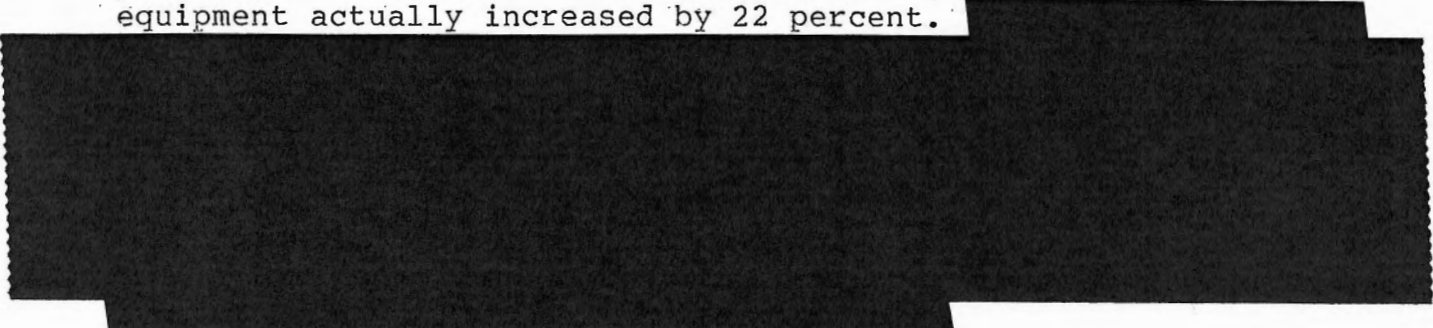
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pointed out that their obligation authority for front line equipment actually increased by 22 percent.



Minister Abe asked me about Lebanon and I gave him a thorough briefing on our objectives and the current situation. (S)

Visit with Yugoslav President Mica Spiljak: I met with President Spiljak on Wednesday afternoon after his luncheon with you in the White House. Our discussions focused on bilateral military relations and future strengthening of these ties. I told him that we will release data to Yugoslavia on the Pratt and Whitney 1120Y aircraft engine for consideration as the power plant for the new fighter they are designing. He assured me that the Government of Yugoslavia would continue to safeguard U.S.-provided high technology. We agreed that the spring visit by Fleet Admiral Branko Mamula, Yugoslav Federal Secretary for National Defense, would provide an excellent forum to discuss specific steps for enhancing our military cooperation. My visit with President Spiljak was very pleasant and, I believe, laid a good foundation for follow-on discussions when Admiral Mamula visits. (S)

Cost Savings in Spare Parts Procurement: Recent actions by a civilian electronics technician, Mr. Greg Mitchell, have resulted in a projected savings to the Navy of more than \$1.25 million annually. Mr. Mitchell, who works at the Naval Air Test Center, Patuxent River, Maryland, noticed there were large numbers of requests for replacement fiberglass stabilizers used on the magnetic anomaly detectors on Navy helicopters. Because of the constant motion and bumping that occurs on aircraft carriers, about 200 of these stabilizers, attached to the sides of the helicopters, are damaged each year. The replacement cost for one had been about \$3,000.

Mr. Mitchell and a co-worker designed a new stabilizer using styrofoam instead of fiberglass--at a cost of approximately \$300 each. They have been successfully flight tested and found suitable as replacements.

Mr. Mitchell received an incentive payment of \$2,500 as a bonus for this good work. This is part of our incentives to eliminate the spare parts problem I have mentioned. (U)

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C-5B GALAXY Program--Status: The C-5B airlift aircraft program continues on schedule. Over 70 percent of the engineering drawings have been released, and the basic engineering effort continues ahead of schedule requirements. In December the Air Force and Lockheed completed a Structural Critical Design Review of changes unique to the C-5B and the engineering of the main landing gear and door actuator changes. An Air Force analysis of the latest Lockheed Cost Performance Report indicates that Lockheed is ahead of schedule and below internal budgets.

The C-5B program has produced significant opportunities to support our small and small disadvantaged business program. In December the C-5B Program Office awarded Enginetics Corporation, a small disadvantaged business, a \$1.2 million contract to design, produce, and obtain FAA certification for the 75-passenger cargo compartment seats. The contract included three production options to be exercised annually beginning in FY 1985 for a total of 50 ship-sets for approximately \$7.4 million. (U)

Army Reserve Components Aviation Safety: The Army has worked hard to reduce aircraft accident rates, and the efforts are paying off. The Army Reserve Components' success in aviation safety and accident prevention programs during FY 1983 is particularly noteworthy. The Army National Guard experienced only five major accidents in nearly 300,000 flying hours with an aircraft accident rate 33 percent below the overall Army rate. The Army Reserve had no major accidents in over 70,000 flying hours and an accident rate 47 percent below the overall Army rate. Safe flying is one of the best indicators of proficient flying, and we believe that this excellent aviation safety record of the Army Reserve Components indicates an enhanced readiness posture. (U)

Implementation of Voting Action Plan: In my Weekly Report of January 20, I described our efforts in support of the Federal Voting Assistance Program and indicated that I had asked the Services and Defense Agencies to develop implementing Voting Action Plans. I can now report that all the Voting Action Plans are complete. The Plans of the Military Departments are all aggressive and comprehensive and, through continued high level interest and command support, we are confident that voting participation by military personnel and their eligible dependents will increase substantially in the November election.

We have been successful in simplifying the absentee voting procedures in most states, which will make it easier for our military personnel and civilian employees to vote, even if stationed overseas. We are also working with the National Association of Secretaries of State and the Advertising

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Council to conduct a national "Voter Education--Get Out the Vote" campaign. While we have no visible role in the campaign materials, we are coordinating the project. I believe we have an excellent voting assistance program, which, incidently, is being used as a model by many states. (U)

Control of Cost Growth in Data Link Program: In November we terminated a contract with T.A.D. Communications Company (TADCOM), a joint venture of Hughes and ITT, on the Joint Tactical Information Distribution System (JTIDS), because of excessive cost growth in full-scale development of one part of the program contract and resultant concerns over affordability in production. This action was taken even though the technology was not at issue, and the components designed satisfied an urgent Navy requirement.

In early December, Hughes and ITT submitted a proposal to reinstate the contract and complete the JTIDS development. After careful evaluation of the technical, cost, and business aspects of the proposal and extensive negotiations over terms and conditions, the proposal was found to be unacceptable as submitted. We finally reached an acceptable agreement after additional discussions, and we have approved reinstatement of the contract.

There are several important changes to the contractual arrangement. Hughes is now the prime contractor and ITT a subcontractor; government maximum liability has been limited by capping the full-scale development effort on a fixed price basis. Production cost incentives have been incorporated to minimize production costs; in order to ensure on time delivery of data necessary for competition, penalties have been agreed to for late data delivery; and all restrictions on later government use of technical data have been removed. We believe that reinstatement under the revised cost control terms signals to industry that we will not tolerate excessive cost growth and will insist on responsible cost management by our contractors. (U)

Exercise TEAM SPIRIT 84: This joint/combined field training exercise, involving U.S. and Republic of Korea (ROK) forces of all Services, began this week and will run through the month of April. Exercise TEAM SPIRIT 84 will improve the combat readiness of ROK and U.S. ground, naval, air, amphibious, and special operations forces through training in all types of joint/combined operations. Joining U.S. forces already in the Republic of Korea will be Army division and brigade headquarters elements and infantry task forces, an aircraft carrier battle group, a surface action group, an amphibious task force, and a Marine air/ground task force.

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The exercise will refine application of air-land battle doctrine and focus on realistic training for ROK and U.S. forces in a field environment. TEAM SPIRIT 84 will include the UH-60 BLACKHAWK helicopter for the first time. Approximately 147,000 ROK and 60,000 U.S. military personnel will be involved. (C)

Exercise BLACK ROCK 84-2: This joint/combined U.S.-Kenya special operations exercise began Wednesday and will continue into the last week of February. The exercise includes airborne operations, weapons and demolitions firing, individual special operations techniques, and combat patrolling and raids.

Exercise BLACK ROCK 84-2 affords U.S. Central Command an opportunity to evaluate procedures for command and control of a deployed special operations force and to familiarize personnel with the environmental and operational characteristics of Kenya. The exercise will also promote rapport and mutual understanding between our Central Command and Kenyan military personnel, as well as demonstrate our commitment and ability to respond to the security needs of the Kenyan Government. (S)

Defense Assistance to Civilian Law Enforcement: We recently received a request from the Superintendent of the New Orleans Police Department, and will provide on a reimbursable basis, assistance in training teams for explosives detection. Their intent is to train explosive detection dogs and their handlers for the 1984 Louisiana World Exposition. We have such a training capability at Keesler Air Force Base, Mississippi and can honor the New Orleans request without an adverse impact on the Air Force mission at Keesler. (U)

Dedication of Pentagon POW/MIA Display: Last Friday morning I dedicated our Pentagon POW/MIA display, with an audience of over 100, including the Board of Directors of the National League of POW/MIA Families and Ann Mills Griffiths, the League's Executive Director. Also in attendance were Harry Walters and Everett Alvarez from the Veterans Administration. While the display honors all those held POW or missing throughout our history, it is especially designed to honor the 2,490 Americans still missing in Indochina. We will include the display in the Pentagon tour. I believe the display symbolizes our commitment to resolving the Indochina POW/MIA issue, as a matter of the highest national priority. (U)

New Army Series on the U.S. Role in Vietnam: The Army Center of Military History has inaugurated an official history of the

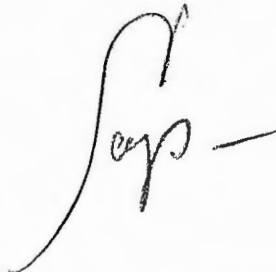
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Army in Vietnam with the publication of Advice and Support: The Early Years, 1941-1960 by Ronald Spector. The Vietnam series is expected to encompass 17 volumes and take six more years to complete. Other titles in the series will describe combat operations and advisory and pacification efforts, logistics, communications, engineer activities, medical support, relations with the press, and decisions at the Department of the Army level. (U)

A handwritten signature, possibly reading 'Sey', followed by a horizontal line.

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OFFICE OF THE SECRETARY OF DEFENSE

17 February 1984

Memo For THE PRESIDENT

Mr. President:

I think you might find some
interesting speech material in this
week's Report.

Sap

Attachment

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Sec 3.4(b), E.O. 12852, as amended
White House Guidelines, Sept. 11, 2003
BY NARA *RU* DATE *5/21/13*

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MEMORANDUM

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THE WHITE HOUSE
WASHINGTON

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February 17, 1984

MEMORADUM FOR THE PRESIDENT

FROM: Robert C. McFarlane

SUBJECT: Secretary Weinberger's Weekly Report for Friday

Attached is Cap Weinberger's Weekly Report for Friday,
February 17, 1984.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

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Sec. 3.4(b), E.O. 12858, as amended
White House Guidelines, Sept. 11, 2006
BY NARA RW, DATE 5/21/13



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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

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February 17, 1984

WHITE HOUSE
SITUATION ROOM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities (U)

Legislative Affairs: FY 1985 Defense budget hearings will continue next week when the Congress returns from the Lincoln-Washington recess. On Tuesday, General Vessey and I will testify before the House Budget Committee, a panel that took the lead in reducing last year's Defense budget. Before the hearing, I have invited Chairman Jim Jones, Ranking Minority Member Del Latta, and seven other Budget Committee members to the Pentagon for a breakfast meeting at which time we expect to discuss the need to continue the defense rebuilding program that the Congress has endorsed and the increased worldwide commitments that drive our budget request.

Also next week, the members of the Senate Budget Committee will receive our classified Red-Blue Net Assessment Briefing. This briefing has proven very valuable to our Armed Services Committees in bringing out the urgent need to continue modernizing U.S. defenses against the Soviet buildup. We are particularly pleased the Senate Budget Committee has agreed to receive this briefing before they begin their mark-up of the FY 1985 First Concurrent Budget Resolution, which will set key defense spending levels. The House Budget Committee has not yet agreed to receive this useful briefing; I will encourage Chairman Jones on this at our breakfast meeting next week. (U)

B-1B Program Update: Press allegations were made this week saying we intend to build 300 B-1B aircraft, and discounting my confirmation of the \$20.5 billion acquisition cost. If we had any plans to build more than 100 B-1Bs, long-lead money for aircraft #101 would have had to appear in your FY 1985 budget. It does not. We have no such plans. The Stealth bomber will give us any additional planes we need.

The other accusation comes at the same time that General Electric has actually turned back to the Air Force \$2.5 million on a \$99.4 million contract for the engines for aircraft #1, and we have a management reserve in excess of \$300 million in our first set of contracts. In short the B-1 program is now under budget and well ahead of schedule.

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These rumors may arise because we have withheld information to avoid compromising our bargaining position. For instance, last year GAO wanted full disclosure of our pricing data for the 10 B-1 aircraft in Lot III, which we did not give them. The initial proposed price of \$3.033 billion quoted last May by Rockwell was finally contracted on January 20 for \$2.045 billion, almost a billion dollars less, thus justifying both our stance with the GAO, and our long and tough negotiating position.

Savings under current contracts have been realized through our B-1B Cost Reduction Program initiated with the first contract award in January 1982. Through participation at all levels--prime contractors, sub-contractors, and government--improved, less expensive production methods have been developed and we are getting a far better aircraft. The use of an intensive production engineering and management program has given us a more efficient production line. Lack of this type effort caused a good percentage of our cost overruns in the past and most defects in new equipment. Through this program, Rockwell produced \$512 million in savings in 44 projects. In just three projects, Boeing reduced costs by \$71 million, AIL Corporation saved \$90 million with four changes, and General Electric's projected engine cost has been reduced from \$2.1 billion in 1981 to \$1.4 billion today. We are also looking at cost avoidances of \$600-700 million in support equipment and \$600 million to \$1 billion as a result of assembly line modernization programs. These numbers are still growing. In fairness, patriotism is not the only incentive. The Government and the contractors will split 50-50 every dollar not spent at the end of each contract. On top of this, aircraft performance parameters have also improved significantly.

Another factor in the fine work on B-1 is, I am convinced, the regular weekly meeting I hold on progress on this plane. This enables me to focus all the resources of the Department to remove any factor that would add to the cost or delay the plane.

If you are able to speak at the roll-out ceremony for the first new B-1B in September, which will be seven months early, you will have significant accomplishments to discuss about our ability to economize and produce top quality weapons. Internal power will be turned on in early May so there will be many hours of system testing prior to roll-out.

Our basing plan has been made public. Dyess Air Force Base, Texas will have 26 aircraft and McConnell Air Force Base, Kansas, Ellsworth Air Force Base, South Dakota, and Grand Forks Air Force Base, North Dakota will get 16, 32, and 16 aircraft

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respectively. All will be replacing B-52 aircraft now in place. Other Congressional delegations are seeking to have the B-1B based in their states. I surmise this may be where the calls for additional B-1Bs have originated.

The Air Force has also examined the financial impacts of stretching the program out, which some Congressmen have proposed as a way to reduce our FY 1985 budget. Reducing from our current planned rate of four planes per month to three would cost us almost \$1 billion more in FY 1985, and increase total program costs by about \$4 billion. A reduction to two per month would reduce costs by almost \$500 million in FY 1985 but add \$6.5 billion to total program cost. I clearly believe we cannot afford these "savings" by these delays. Unfortunately, ex-President Ford is one of those who talks so casually about "saving money by stretch-outs."

Should the press attacks continue, we may set-up a special press conference on the B-1 and brief selective Congressmen. I wish to avoid revealing our progress now, however, because there are still many contracts yet to negotiate and more savings to be realized. I do not want the process, which has worked so well so far, compromised. (S)

Visit with King Hussein of Jordan: On Tuesday I paid a visit to King Hussein of Jordan before your lunch for him. I was accompanied by the Chairman of the Joint Chiefs of Staff General John W. Vessey, Assistant Secretary of Defense (International Security Affairs) Richard L. Armitage, and Commander-in-Chief U.S. Central Command Lt General Robert C. Kingston. The meeting was very friendly and cordial, but the general tenor of the King's remarks evidenced a growing fear for the security of his country, and the threat posed to Jordan from Syria. He was anxious to obtain reassurance that the United States would support Jordan and would provide the Kingdom with essential military equipment. King Hussein stressed that Jordan needed to be certain of support and that Jordan wanted to remain firmly with the United States. He noted that Jordan is looking for concrete evidence of U.S. commitment, and that verbal assurances alone are no longer sufficient. He spoke eloquently of the friendship that has pervaded the U.S.-Jordanian relationship and Jordan's support of the U.S. peace initiatives in the region, but he warned that this is a critical juncture in the relationship and the United States must not shrink from its activities in the region.

I believe King Hussein knows we support Jordan. He was very appreciative of the many military activities that are underway and the actions we are taking to gain Congressional support for

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Jordanian programs. However, he is unsure of the lasting nature of this commitment, he is aware of the strong Congressional opposition to any of our proposals for arm sales to Jordan, and he is very desirous of seeing firm evidence of support soon. (S)

Visit with President Hosni Mubarak of Egypt: On Monday I met with President Mubarak at the Madison Hotel. We discussed the many mutual interests of our two countries and the need to continue the important dialogue in finding a solution to the problems in Lebanon and also to the war between Iran and Iraq. President Mubarak is very aware that we may not be able to do as much for Egypt as we would like because of Congressional problems. He suggested you should change the Constitution to eliminate this problem! During the course of the meeting, President Mubarak extended an invitation for me to visit with him in Egypt some time in the near future; I hope that I will have the opportunity to accept it. (U)

Ship Deliveries: 1983 was another record-breaking year for ship deliveries. Of the 21 ships delivered, 12 were on time, 8 were a total of 22 months early, and only 1 (a prepositioning ship conversion) was late (1.5 months). This achievement shows steady improvement over previous years. (In 1982, 12 were on time, 8 were early, and 5 were late. In 1981, 9 were on time, 5 were early, and 12 were late). I believe this steady and dramatic improvement reflects our close management and monitoring of these contracts. When we got here, for example, the first OHIO-class TRIDENT submarine was 22 months late and no one seemed at all worried.

This year we will have 33 ship deliveries, and I hope not even one will be late. (U)

Navy Spare Parts Proprietary Rights: In response to another initiative to save money in the procurement of Navy hardware items, Litton Guidance and Controls Division recently agreed to provide the Navy with lists of over 4,500 parts for three inertial navigation systems. Previously the Navy was prevented from obtaining these parts directly from the vendors because of proprietary restraints. We could only buy from one supplier. Under the new agreement these parts can now be procured directly. Litton also agreed to provide the Navy a reprourement data package for a shipboard inertial navigation system at an original price of \$48 million. After negotiations with Litton representatives the package price was reduced to \$3 million. (U)

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P-3C Savings: The Navy recently agreed to terms with Lockheed on the costs of the P-3C Update III configuration change. The final price of \$.7 million each represents a 77 percent savings over the FY 1983 Budget estimate of \$3.0 million each. (U)

Anti-Satellite System (ASAT): The recent successful Air Force first test of the ASAT took place over the Pacific Missile Test Range about 90 nautical miles off the California coast. After taking off from Edwards Air Force Base, an F-15 aircraft flew to a point west of Monterey, California. There the aircraft, while flying almost vertically at 38,000 feet, launched the ASAT vehicle. At launch, the aircraft was about one nautical mile wide of the nominal launch volume, which is a cylinder pattern 20 nautical miles in diameter and two nautical miles high. However, the SRAM/Altair boosters were able to correct the error, steer the system back on course, and carry the simulated Miniature Vehicle to an altitude of 280 nautical miles to a predetermined intercept point in space. (S)

Our Female Pilots in Antarctica: There are about 500 Navy personnel involved in providing logistics support to the National Science Foundation at McMurdo Bay, Antarctica. Because the U.S. Navy Antarctic Development Squadron (VXE-6) does not have a combat mission, it has a comparatively high concentration of female pilots and flight officers. Four of 23 pilots and three of 14 naval flight officers (NFOs) in the squadron are females. (There are a total of 66 female pilots and 26 NFOs in the Navy.) They fly the ski-equipped LC-130 aircraft in support of the wintering-over party. The squadron is home based at Pt Mugu, California and stages Antarctica missions from Christchurch, New Zealand.

The women flyers compare most favorably with their male counterparts of similar experience and are progressing into leadership positions. One is now an aircraft commander, and two more are expected to gain this qualification next year. As you can imagine, flying and navigating in Antarctica is exceedingly difficult, probably more challenging than any place on earth. Yet these female officers do exceedingly well. On top of this, morale is high. Almost all personnel are volunteers for Antarctic duty and enthused about sharing the hardships, adventure, and challenges of this last frontier on earth. The women are very much a part of the team. (U)

1983 Naval Aviation Safety: In previous reports I told you that the Air Force had its best flying safety record ever and the Army its second best ever in 1983. Naval aviation (Navy and Marine Corps air) also had its best ever record in 1983--for the third consecutive year. The record has crept down from

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4.83 mishaps per 100,000 hours in 1981 to 4.46 in 1982 and 4.33 in 1983.

Noteworthy improvements included a decrease in the helicopter mishap rate from 5.73 to 3.22, the embarked mishaps rate from 9.70 to 7.62, and the air training mishap rate from 2.72 to 1.25. Although there were still 100 fatalities, lost aircraft decreased to 88 from 95 in 1981. The rates came down because of expanded operations and more total flying hours.

The doubled retention of experienced aviators, better maintenance and training, and greater proficiency throughout are significant contributors to the steady improvement. The Navy's goal for 1984 is to reduce the mishap rate to below 4.00.

With modern aircraft costing upwards of \$30 million each, these improvements in our overall DoD flying safety record are very significant to the efficient and effective operation of the Department. This is where your commitment to enhanced readiness, force modernization, and equitable pay for personnel really pay off. Notwithstanding, there are also many more families who did not suffer the consequences and grief of a family member lost in an accident. The Service Secretaries and I believe we will see across-the-board improvements again in 1984. (U)

Court Ruling on Military Chaplains: A Federal court ruling in New York has reaffirmed that the Army Chaplaincy Program is a constitutionally permissible means to a constitutionally mandated end. The court observed in a suit challenging our chaplains program under the First Amendment that Congressional power is at its highest point when they deal with military matters (and, hence, the courts are extremely reluctant to interfere). The same Congress that drafted the First Amendment also authorized a paid chaplain in the Army, and the court ruled it had no special competence to judge military need for chaplains, versus the constitutional test prohibiting the establishment of religion. Basically, the plaintiffs were told that if they do not like Army chaplains, they should seek remedy through legislation. Prayer and readily available religious and moral counseling will, therefore, remain with our armed forces. I very much welcome this ruling by Judge Joseph McLaughlin of the Southern District of New York. (U)

Los Angeles Summer Olympics Support: We are proceeding with our preparations to support the 1984 Summer Olympic Games in Los Angeles. The Army is the DoD Executive Agent for Olympic Support. The Army and my office have been in close coordination with Mike Deaver's office, other federal agencies, the State of California, and local law enforcement agencies to plan for DoD support.

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Using its normal procedures for providing military support to civilian agencies, the Army is prepared to lend assistance to local government in the event of natural disaster or civil disorder. We have a Memorandum of Understanding with Justice and the FBI on when and how the Joint Special Operations Command (JSOC) would come to the aid of the FBI. JSOC will establish a planning element in Los Angeles and will probably pre-position certain operational elements in the area prior to the start of the Games.

Congress appropriated \$50 million for DoD support of the Games. This money will be used to satisfy requests for communications support (\$12.6 million), Intrusion Detection System design and installation (\$10.7 million), and video-mapping support (\$.47 million). The Army is reviewing requests for aviation support and exploring the use of the California National Guard in state status (under a Federal-State agreement or a contract) to perform some support missions. We estimate these costs to be \$15-20 million. We appear, at this point, to be able to live within the \$50 million appropriation. Regardless, we are exploring how the "unexpected" will be funded should any last minute requirements cause us to exceed our authorization.

There are many issues still to be worked with all interested parties to clarify authorities, procedures, and responsibilities as well as ensure the adequacy of security measures. We intend to cooperate to the maximum extent legally possible to help make the Games a success. (S)

Spanish Frigate Program: The Spanish are building three FFG-7 class frigates to modernize their Navy and enhance their anti-submarine warfare (ASW) capabilities. The Spanish modified these frigates to accommodate the AN/SQR-19 TACTAS at additional expense and contracted with us to buy and install the -19. This is the towed-array submarine detection system in which the Soviet submarine got fouled by the tow-line off the North Carolina coast.

In the FY 1984 Defense Appropriations Act, Chairman Addabbo expressed a concern that Spain might not be able to protect this sensitive technology, suggesting that the AN/SQR-18 (made in New York) should be adequate, and prohibited export of the -19. The Spanish have protested this. We agree and are continuing efforts to repeal the legislation. If unsuccessful, the Navy may have to apply FY 1984 funds to acquire the three TACTAS systems contracted for Spain, and Spain would be required to make some other acquisition decisions.

Our objective is, insofar as is legally possible, to allow Spain to acquire the systems with no additional cost to either the Navy or Spain. I will be watching this closely. (S)

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Helicopter Canopy Laser Hardening: In recognition of the potential battlefield laser threat, the Army Aviation Systems Command has contracted with the Goodyear Corporation to provide six laser hardened canopies for the AH-1S helicopter for pilot acceptability flight tests in late summer 1984. Of these six units, four will be coatings installed over the existing canopy, and the final two will incorporate intrinsic laser hardening. All will be hardened against conventional range finder laser intensities. (S)

USSR Fighter Aircraft Developments: We have recently discovered that Soviet fighter aircraft are being configured to use U.S.-NATO airfield equipment and materiel. They appear to be engaging in a program that would allow worldwide acceptance of their products. While we have previously noted similarities to our own aircraft in fuels, lubricants, and hydraulic fluids, we now know that the MIG-23 uses a single-point refueling receptacle that will accept U.S.-NATO fuel nozzles and electric power receptacles that can accept our plugs. We believe they are similarly equipping their other fighter aircraft.

This development could be intended to make their export aircraft more attractive to potential buyers outside the Warsaw Pact who service their aircraft at Western fields. Also, these design practices would give the Soviets a capability to use available servicing equipment at captured U.S.-NATO airfields during wartime. (S)

First PERRY-Class Frigate to Naval Reserve Force: USS DUNCAN (FFG-10) recently became the first OLIVER HAZARD PERRY (FFG-7) Class frigate to transfer to the Naval Reserve Force. The addition of DUNCAN and 15 other PERRY-class ships provides new and more capable platforms to the Naval Reserve. (U)

Sap.

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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February 24, 1984

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. MCFARLANE
SUBJECT: Secretary Weinberger's Weekly Report

Attached is Cap Weinberger's Weekly Report for Friday,
February 24, 1984.

cc: The Vice President
Ed Mese
Jim Baker
Mike Deaver

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Sec.34(b), E.O. 12958, as amended
White House Guidelines, Sept. 14, 2003
BY NARA RU, DATE 5/21/13

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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA



84 FEB 24 P 9: 23

DEFENSE
SITUATION ROOM

February 24, 1984

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities (U)

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NLRRM453/7 #159638

BY RW NARA DATE 12/9/2022

Legislative Affairs: Presentations of the FY 1985 Defense Budget to Congress continued this week in my hearings before the House Budget Committee. Prior to the Tuesday afternoon hearing, I had a working breakfast at the Pentagon with Budget Committee Chairman Jim Jones, Ranking Minority Member Del Latta, and seven other key committee members. At the breakfast there was discussion about the Lebanon situation as well as the budget. Jim Jones brought up the bi-partisan budget talks and suggested that, if there is no likelihood of progress, he would like to see the talks terminated so the Congress can get on with other matters. He defines "progress" as agreeing to defense cuts first.

At the hearing, we presented the Committee with a review of the threat and requirements that drive our budget request. The members were generally receptive to our presentation, but many seem to have made up their minds that there must be significant cuts in the Defense program without, of course, any references to what essential military needs might thereby be eliminated. Many of these cuts would erase the improvements that we have made in readiness and sustainability. Del Latta was helpful as always and commended the Department for its strict oversight and management in new weapon systems such as the B-1B bomber, which is being developed on schedule and below cost.

On Thursday, I had a private breakfast at the Pentagon with Senator Dan Evans (R-Washington). Dan was initially a member of the Senate Armed Services Committee following his appointment to fill the vacancy of Senator Scoop Jackson, but has since received a different committee assignment. Dan, as you know, is an independent thinker and will not be an automatic vote for our national security proposals, but he is thoughtful and aware of the need to safeguard the larger defense investment we have in the State of Washington.

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Next week we will complete our initial presentation of the Defense Budget to Congress with a hearing before Joe Addabbo's House Defense Appropriations Subcommittee. We have invited the entire subcommittee to a pre-hearing breakfast meeting on Thursday. (U)

Trip to United Kingdom and Lebanon: As I mentioned to you Friday after the NSC meeting, I will be in England Monday and Tuesday for meetings with Michael Heseltine, their Defense Minister; Mrs. Thatcher; Geoffrey Howe; and Lord Carrington, who takes over as Secretary General of NATO in June. I will also give a couple of talks and see our Ambassador, Charles Price.

On Wednesday I will fly down to visit the Marines who have been redeployed to their ships off Lebanon, and I will also visit the 180 or so Marines left ashore to guard the Embassy, and some of our training teams.

I will tell them how proud we are of all of them and their work there and of your personal admiration and pride in their accomplishments, and that what they have done and will do is of vital importance to all of us and to the cause of freedom.

(S)

Readiness Improvements: In preparation for my appearance before the House Budget Committee on Tuesday, my staff prepared a short paper on projected readiness improvements in FY 1985, as compared to our starting point in FY 1981. A few of the notable examples were:

- Total flying hours up by 8.3 percent over FY 1981;
- Flying hours per pilot per month up by 5.3 percent in the Navy, 13.6 percent in the Air Force;
- Ships overdue for overhaul down from 16 in FY 1981 to two in FY 1985;
- First-term retention rates up by 20.9 percent;
- The number of days of ammunition on hand up by 60.7 percent;
- Battalion-sized rotations through the Army's National Training Center increase from zero in FY 1981 to 28 in FY 1985;
- Student training loads up by 20.3 percent;

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- Navy aircraft mission capable rates up from 59 percent to 70 percent; and
- Navy and Air Force aircraft accident rates were the lowest ever in FY 1983, and all Service accident rates improved significantly over the past three years.

The cumulative result of these and other indicators reflects a military fighting force that has become substantially more capable and ready than it was three years ago. Of course we still need to do more and will continue to seek even greater improvements in the months ahead. (U)

3.3 (b)(6)
Visit with New Zealand Prime Minister Muldoon: I had an extremely cordial meeting and lunch with Prime Minister Muldoon on Thursday, in which we exchanged views on regional and global security issues. Prime Minister Muldoon expressed concern for continued stability of the independent island nations in the South Pacific. He believes that western security interests would be greatly damaged if any of the island nations became a Soviet satellite and said that New Zealand will continue to play a strong role in the region as a counter to Soviet expansion. Prime Minister Muldoon is a staunch ally and an unshakable supporter of ANZUS.



New Zealand's military is faced with block obsolescence of its military equipment, and balance of payment problems continue to frustrate Muldoon's desire to improve and modernize his armed forces. He is concerned with the aspect of our security assistance policy that prohibits New Zealand from qualifying for foreign military sales credits/loans. He carefully pointed out that New Zealand is an agricultural-based economy that lacks the ability to manufacture its own defense equipment, their ability to play an effective role as an ANZUS ally depends on purchases of modern equipment, and money loaned to New Zealand is spent for purchases in the United States. He further pointed out that, in addition to providing jobs in the United States, the purchases benefit the United States by strengthening one of only two allies who have stood with the United States in our last four wars. I told him that I would give his thoughts every possible consideration and urged him to discuss the foreign military sales issue during his visits with members of Congress. (C)

Selected Reserve Manpower and Recruiting--FY 1983: Selected Reserve strength at the end of FY 1983 was 1,004,500. This was 101 percent of the Defense objective and reflected an increase of 40,800 reservists (or four percent) during the

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fiscal year. It also marked the first time the Selected Reserve has exceeded the one million mark since December 1961, when individuals were allowed to substitute enlistment in the Ready Reserve for two years of conscripted service in the active component. The Selected Reserve consists of units and members of the Ready Reserve that have the highest priority in equipment, training, and general readiness.

During 1983, the reserve components enlisted 232,500 people or 106 percent of their objective. Among all new recruits, 78 percent were high school graduates and 91 percent scored average or above average on the enlistment test. Additionally, 87 percent of enlistees with prior military service were high school graduates, and 88 percent scored average or above average on the enlistment test. There were slight decreases in the number of female and black reserve accessions during FY 1983.

The Army National Guard and Army Reserve combined experienced a 12 month end-strength growth of approximately 19,100. A large part of this increase was due to improved retention. In achieving their recruiting goals, the two Army components accounted for 70 percent of the total Defense reserve accessions. (U)

Media-Military Relations Panel: Earlier this month the initial session was held of a panel convened by General Jack Vessey to conduct an examination of issues related to the media and the military. Presentations were given by a number of news executives and senior military representatives, covering many aspects of the problems associated with media coverage during military operations, including major maneuvers. The committee learned much from the presentations and arrived at some recommendations, which are being drafted and will be forwarded to me for action. I have organized a permanent advisory committee on the media who will review the recommendations as their first task and meet thereafter about quarterly to give us general advice on these touchy and important subjects. (U)

Improving Spare Parts Procurement: As you know, as a result of information brought to light by Defense employees and internal investigation, we initiated a ten-point program last July to eliminate pricing abuses in spare parts procurement. I made a public announcement of the program at that time, but the media has continued to present Department spare parts procurement policies in a negative way. In order to reinforce our efforts in this regard, I recently provided details to the media on our on-going audit of spare parts procurement. Under the direction of the Defense Inspector General (IG), the audit involves nearly 300 auditors of the military service audit agencies, the Defense Contract Audit Agency, and the IG staff. The auditors

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are reviewing the prices paid to 200 major Defense spare parts contractors, as well as the procurement process itself. The audit, which started in August 1983, is intended to quantify the degree to which we have overpaid for spares, identify practices that have led to this condition, and determine if policy and procedure changes, beyond those already made, are needed to achieve more economical acquisition of spares.

This major audit is, of course, only one element in our ten-point program to stop pricing abuses in spare parts procurement. You may recall that the program also includes incentives and rewards, appropriate disciplinary action, a tough stance toward Defense contractors, and use of competition advocates, as well as vigorous audits and investigations. I expect to receive the audit report this spring and will take prompt action to correct deficiencies identified by the auditors. (U)

Army Test of Shale Oil Diesel Fuel: To demonstrate the acceptable field performance of shale oil derived diesel fuel in military vehicles and equipment, the Army will conduct a field validation test at Fort Carson, Colorado and Dugway Proving Ground, Utah. These two bases were chosen as test sites because of refining location. The test will begin in June and run for about two years. If the test proves successful, shale oil derived diesel fuel will provide an alternative energy source toward our becoming energy self-sufficient. (U)

Performance by Naval Shipyard: The Norfolk Naval Shipyard recently completed the overhaul of the guided missile destroyer USS BARNEY 56 days ahead of schedule and with a cost avoidance of \$6.5 million. The overhaul included work on BARNEY's main propulsion spaces, steering, interior communications, and missile and air conditioning systems.

The BARNEY is the 11th successive surface ship that the Norfolk Naval Shipyard has completed on time or ahead of schedule. Other ships recently completed early by the shipyard include the aircraft carriers USS AMERICA and USS INDEPENDENCE, the guided missile destroyer USS JOHN KING, and the nuclear attack submarine USS BLUEFISH. (U)

Launching of New Guided Missile Frigate: Last Saturday the guided missile frigate HAWES was launched at Bath Iron Works, Bath, Maine. Launching of the HAWES marked a total of 41 of the USS OLIVER HAZARD PERRY (FFG-7) class ships now afloat, of which 34 are commissioned, two will be delivered to the Navy in the next two months, and an additional five are in various stages of pre-delivery testing. Initial construction on the first of these ships was begun at Bath in December 1974, and we

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have a total of 50 ships of the class in the program. Todd Pacific Shipbuilding is our second contractor for this class. The primary mission of FFG-7 ships is ocean escort duty with amphibious task groups, underway replenishment groups, or convoys. They are equipped with surface-to-air and surface-to-surface missile systems, torpedoes, and 76 mm guns. They can also operate two manned anti-submarine helicopters to extend attack range and over-the-horizon detection capability. (U)

Establishment of Army Aviation Branch: The Army's newest basic branch was announced last week in a Pentagon ceremony at which Army Chief of Staff, General John Wickham, signed Army General Order Number 6, making the Army Aviation Branch formally effective. A separate Army Aviation Branch was approved last spring by Army Secretary Jack Marsh, with a view toward promoting the full integration of Army aviation into the combined arms team. Assignment of officers and enlisted personnel to the Aviation Branch has been underway since approval of the branch. (U)

Visit with Brazilian Chief of Armed Forces: I met last Friday with General Waldir de Vasconcelos, Minister Chief of the Brazilian Armed Forces General Staff, who visited the United States as a guest of General Vessey. General Waldir was impressed by the high morale of our Service members at the U.S. bases he visited. He told me of his earnest desire to strengthen ties between our armed forces, and he was particularly interested in expanding our exchange programs. General Waldir's deputy, Lieutenant General Negreiros, was co-chairman of the Joint Working Group on Industrial/Military Cooperation created as a result of your trip to Brazil in December 1982. The Memorandum of Understanding on Industrial/Military Cooperation developed by this group was signed during Secretary Shultz' trip to Brazil earlier this month. General Waldir considered this a significant development and expressed his personal commitment to putting it into operation with specific projects in the near future. (C)

Review of Military Health Care Procedures: In support of our continuing effort to improve the quality of health care to our military personnel and their dependents, we recently completed a review of selected health care procedures at six military hospitals--two from each Service. All six hospitals were using guidance set by the Joint Commission on Accreditation of Hospitals (JCAH) and were either accredited by the JCAH or to be accredited soon. All six hospitals were granting privileges to health care providers; providing 24-hour physician coverage for emergency rooms; and supervising and utilizing physician assistants in outpatient clinics. They were also performing quality assurance

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reviews of inpatient records as required by JCAH guidance, and as inpatients were discharged, their medical records were reviewed for completeness.

Our review revealed that procedures for granting privileges to the providers, emergency room functions, and supervision of physician assistants needed to be strengthened or revised to conform with JCAH guidance. We also found that some emergency room records contained illegible or missing entries and that the hospitals were not uniformly obtaining, validating, and keeping data on the capabilities and performance of providers. In some cases physician assistants were not referring patients to physicians when patients returned with the same medical complaints. Also, we found that the ratio of supervisory physician to physician assistants varied among the hospitals visited, and supervisory physicians were not uniformly reviewing the medical records of patients seen by physician assistants.

The scope of the review was quite narrow and the results do not indicate the prevalence of these conditions throughout the Department. The information can be used, however, to correct the deficiencies noted and, when combined with additional information gained from other reviews, to improve the overall quality of military health care. (U)

Promotion of Cost-Effective Contract Requirements: We undertook last week a new effort aimed at developing more cost-effective contract requirements for major system acquisitions. This effort will address a number of problems inherent in present practices that can result in excessive contractual requirements early in weapon system development.

The new procedures were developed in conjunction with the military services under the Defense Acquisition Improvement Program and will specify "results required" rather than "how to" procedures in requests for proposals and contracts. Detailed specifications and standards will be used only for guidance during the early phases of development and selectively introduced into contract requirements for full-scale development and production. Cost/benefit analysis will be applied in all decisions for specific contract requirements.

The new procedures will give industry a greater opportunity to recommend the most cost-effective application of detailed specifications, standards, and other contract requirements, but final decision-making authority will be retained by the government program manager. Emphasis will be placed on assuring development of a complete and definitive production design data specification while allowing contractor ingenuity and experience in arriving at cost-effective designs.

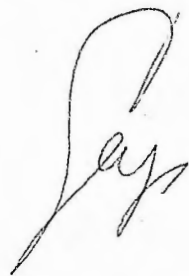
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Initial implementation of the new concepts in each military department will be in four major system development programs, and, within six months, the Services will provide plans to expand application to all new major system acquisitions. (U)

A handwritten signature in cursive script, appearing to read "Sey".

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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA



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84 MAR 2 P 7: 32
March 2, 1984

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of Defense Activities (U)

Meetings with U.K. Officials and My Visit to Marines in Beirut and Afloat: These items have been reported to you by separate cables. (U)

Legislative Affairs: After an early morning return from Lebanon Thursday morning, we had a breakfast meeting at the Pentagon with the House Defense Appropriations Subcommittee, and then I testified before the subcommittee at morning and afternoon sessions on the FY 1985 Defense budget. Eight committee members attended our breakfast, including Congressmen Conte, Edwards, McDade, Robinson, Bill Young, Dicks, Murtha, and Hightower. This committee in the past has been the primary committee to cut the Defense budget and cause delays in our bill, requiring enactment of Continuing Resolutions. During the breakfast and hearing there was considerable interest in the status of our arms negotiations with the Soviets and on our development of the small, single warhead missile.

Congressman Dicks, who was a leader of the House Democrats that supported PEACEKEEPER last year, warned that a failure to implement fully the Scowcroft Commission recommendations could cause key support for the PEACEKEEPER to slip. He kept saying we needed to do "more" on arms reduction because arms reduction talks were now a "shambles." I reminded him that this was because the Soviets had walked out. He agreed and then said that he did not blame the Administration, but still we had to do "more." He was unable to be any more specific. To reemphasize our support of Scowcroft, I plan to meet next week with Dicks, Tom Foley, Les Aspin, and others who played a key role in the PEACEKEEPER success last year.

Chairman Joe Addabbo made his regular vow to kill key weapons systems, such as the B-1B, PEACEKEEPER, and other programs that have been repeatedly endorsed by the Congress. Congressman Addabbo, who himself is facing a serious Primary challenge in New York, warned of the need to balance our military needs with our social needs, a balance that I assured him was contained in the Administration's overall FY 1985 budget. Jack Edwards,

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ranking Republican on the subcommittee, was helpful in supporting major increases in the Defense budget. Jack's retirement from the Congress and the House Defense Appropriations Subcommittee at the end of this session will leave a significant void. In addition to the standard questions on our programs and budget levels, there was interest in the status of our presence in Lebanon, a matter on which I was able to tell them of the high morale of our forces there, following my brief visit this week. The afternoon closed session was devoted to discussion in greater detail of many of the same issues that had been discussed in the morning open session.

The House Defense Appropriations Subcommittee again this year will have a major impact on our FY 1985 program. We plan to work diligently with the committee to get an appropriations bill prior to the early election year recess in order to avoid a costly and restrictive Continuing Resolution. Our friends on the subcommittee stand ready to help, but we will face an uphill battle because of the short legislative calendar.

I have now completed the presentation of the FY 1985 budget to five of our six major jurisdictional committees in Congress, with the exception of the Senate Defense Appropriations Subcommittee, which will hold a wrap-up hearing later in the year. I am scheduled for no additional budget hearings; however, single subject hearings may be possible. Detailed budget justification materials, required by the Congress, have all been sent up. This year's "required documentation," stood on end, totals 6' 3-1/2"! Additional hearings, involving our jurisdictional committees, will occur, with the various Services and program managers now testifying. An average of nine Defense hearings a day are scheduled through the month of March on the primary Congressional hearing days. (U)

Visit with French Minister of Defense Hernu: Minister Hernu visited the United States as my guest last week, and we discussed a broad range of NATO defense considerations, as well as security issues in the Middle East. We spent significant time on Lebanon, technology transfer, the strengthening of COCOM, emerging technologies, the Strategic Defense Initiative, and the possible French purchase of E-3A AWACS. We found ourselves in general agreement. It continues to be a source of both surprise and pleasure that the Socialist Defense Minister of France is so strong for defense and so supportive of our policies. Outside Washington he observed a readiness exercise of the XVIII Airborne Corps at Fort Bragg, and toured the USS GEORGIA at Port Canaveral. Minister Hernu seemed to enjoy the visit very much, and I think our discussions were extremely useful. (S)

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U.S.-PRC Military Relations: Since mid-February we have held military technology follow-up discussions with a Chinese working level delegation, received an acceptance from Defense Minister Zhang Aiping to my invitation that he visit the United States, and received a PRC proposal that a military training delegation from the PRC visit in April.

The four-man PRC working level delegation to discuss military technology transfer issues was more open and forthcoming with information than we expected and seemed satisfied with our responses on most topics. In addition, they offered us unprecedented access to their systems and facilities in areas for which agreement on cooperation is reached. Although our visitors' reactions seemed positive, we will be more confident in assessing the success of the visit when Beijing has had a chance to evaluate and react to the results.

The PRC proposal for a 10-12 man training delegation to visit the United States for two weeks in April was delivered by Defense Attache Zhang Wutang on February 17. We accepted the proposal. The delegation will be led by their Army Chief of Training Shi Xia. We believe the delegation is interested in joint service training, non-commissioned officer training, recruit training, and associated training centers and sites. They have also expressed an interest in training technology, especially the use of simulators of all types. (S)

Dual Role Fighter Decision: Last Friday the Air Force announced that the F-15 EAGLE will become their new Dual Role Fighter. McDonnell-Douglas, the F-15 contractor, will integrate in-production modifications to provide the F-15 with the additional air-to-ground capabilities necessary for it to become the Dual Role Fighter. The Air Force plans to procure 392 of the F-15s with advanced avionics and weapons carriage provisions, flight control system improvements, and minor structural changes to accommodate increased operating weights.

In its dual role the F-15 will be capable of around-the-clock air-to-ground operations with increased weapon loads, while retaining its excellent air-to-air capabilities. Integration of advanced avionics, controls, and displays for the dual role F-15 will enable it to penetrate enemy defenses at low altitudes, and detect and destroy both fixed and moving targets in daylight or darkness and in adverse weather, with a variety of air-to-surface munitions.

The Dual Role Fighter decision was based on comprehensive flight evaluations and analysis of derivatives of the F-15 and F-16.
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Exercise AVALANCHE EXPRESS 84: This Allied Command Europe field training exercise began Tuesday with warning and alert activities in Northern Norway and will end with force redeployment in the last week of March. The exercise is an annual mobil force exercise conducted under an agreement with our allies that demonstrates NATO solidarity and resolve to defend NATO flanks. It will involve some 25,000 NATO personnel, of which over 16,300 will be U.S. Army, Navy, Marine, and Air Force personnel. The remaining participants will include units from Canada, Luxembourg, The Netherlands, Norway, and the United Kingdom.

It is this exercise that requires the presence of the carrier INDEPENDENCE in Norwegian waters.

AVALANCHE EXPRESS 84 will involve deployment and reinforcement of Allied Command Europe mobil forces in deterrent patrolling and simulated non-nuclear combat operations under cold weather environmental conditions. (C)

Exercise FUERZAS UNIDAS 84--Panama: This multinational engineer training exercise began this week, with site preparation and initial deployment, and will end with redeployment in June. The exercise is being conducted under the direction of a joint task force, and it emphasizes base camp construction and road building and improvement. Specific projects will entail upgrading approximately 15 kilometers of the road between Llano de Mariato and Arenas and surveying of an additional 27 kilometers of the road. FUERZAS UNIDAS 84 will be particularly useful to our own forces by providing National Guard units an unparalleled opportunity to deploy; fulfill annual training requirements in a realistic environment, and redeploy; expose National Guard forces to the tropical training environment of Panama; and establish groundwork for future training and contingency exercises in Panama outside the Panama Canal operating area. It will also enhance the ability of U.S. and Panama forces to carry out their treaty responsibilities of jointly defending the Panama Canal.

Elements of the Panamanian Defense Forces, active U.S. Army forces, and units of the Army National Guard will be involved. Engineer and support personnel from the Louisiana, Florida, and Puerto Rico National Guards will also participate. Some 150 of these soldiers will form a cadre that will remain in country for the duration of the exercise. Elements of approximately 150 soldiers each will rotate to Panama in four 17-day training cycles. These Army National Guard soldiers will be supported by the 193d Infantry Brigade stationed in Panama. Other participants, on a smaller scale, are contingents or observers from Colombia, Ecuador, and Venezuela.

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In addition to providing excellent training for participants, the exercise will demonstrate that we are prepared to support an allied nation and reaffirm our commitment to a stable, peaceful environment in Central America. (S)

C-5A Wing Modification: The wing modification program on the C-5A aircraft is currently proceeding several weeks ahead of schedule and has achieved the planned production rate of three modifications every two months. This rate will be maintained until the final delivery, which is scheduled in 1987. There were some manufacturing discrepancies discovered on the first nine wing-modified C-5As delivered to the Air Force, but the work required by a Lockheed field team to correct discrepancies has been satisfactorily completed, and no further discrepancies have been discovered. (U)

Navy Corrosion Control Program: Every unit in the Navy that operates ships, aircraft, or other systems or hardware falls under the Navy corrosion control program, which is designed to inhibit and correct corrosion on these systems. The program has resulted in millions of dollars saved. The Corrosion Control Branch of the Naval Sea Systems Command is targeted at saving Navy manhours and funds devoted to ship painting and preservation. Examples of program aspects include:

- A new fire retardant/water-based coating for manned spaces onboard ships that will result in estimated savings of over \$2 million on the nuclear-powered aircraft carrier USS THEODORE ROOSEVELT. The estimate of average savings on other newly constructed ships is placed at \$250,000 per ship. In a similar development, a new water-based paint system will reduce costs related to the use of solvent-based paints and save nearly \$1.5 million per year in addition to eliminating the need for solvents and other dangerous materials;
- A corrosion control demonstration package using several corrosion control products in the destroyer USS CUSHING for exterior equipment exposed to the elements resulted in a labor savings of 3,000 man-days. Other applications of this technology, such as thermal metal-sprayed coating for machinery and power plant components, have also shown significant payoffs; and
- A prototype chlorine generator system that stops marine growth in sea water systems will eliminate the need to break down the generator system for

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cleaning. Savings in sea systems cleaning will be nearly a half million dollars per ship when this system is implemented fleetwide over the next several years.

(U)

Consolidation of Military Charter Passenger Operations: Late last week we announced that military charter passenger operations at Philadelphia International Airport will be expanded later this year. European commercial charter passenger flights, which currently use the military terminal at McGuire Air Force Base, will be consolidated with Military Air Command commercial flights already operating from the Philadelphia gateway. This is part of an overall shift of Defense charter passenger traffic from military air bases to civil airports. These actions will, of course, result in significant savings in base operating costs. Traffic already has been shifted from Norton Air Force Base, California to Los Angeles International Airport; from Travis Air Force Base, California to Oakland International Airport; and a mid-United States civil gateway has been established at St. Louis, Missouri. In the spring of 1982, the Charleston, South Carolina civil airport was designated as the Southeastern civil gateway.

We will continue to use McGuire Air Force Base as a readiness terminal to handle military flights. The readiness terminal concept allows use of commercial gateways while still meeting the military need for secure marshalling and processing areas for passengers during contingencies and wartime. The McGuire terminal facility will be minimally manned in peacetime but immediately available for wartime operations. (U)

Waste, Fraud, and Abuse Elimination: Some recent successes in our on-going effort to eliminate fraud, waste, and abuse in Defense procurement include:

- o Debarment of a company and its general manager in Waianae, Hawaii from doing business with any agency of the executive branch of the federal government for a period of three years, for making false statements to the federal government in a procurement action;
- o Debarment of a contractor in Frederick, Maryland from doing business with any agency of the executive branch of the federal government for a period of three years for willfully instructing employees to replace previously inspected and accepted marine air conditioners, scheduled for shipment under

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contract to the Navy, with deficient and otherwise unacceptable parts--and, in addition, directing alteration, masking, or replacement of identification plates on the equipment;

- Defense contractor sentenced to pay a \$12,000 fine for defrauding the government by falsely overstating the number of manhours employees worked on contracts it had with Defense, National Security Agency, and General Services Administration;
- Two former Defense buyers sentenced--one for accepting \$200 from a contractor in exchange for confidential pricing information regarding the prices paid by competing suppliers--sentenced to three years probation and fined \$2,000; the second for committing perjury during testimony before a federal grand jury investigating the payment of bribes to government purchasing agents by contractors--buyer will perform 50 hours of community service every month for three years; and
- Former Defense Employee indicted on seven counts of fraud--while employed as manager of restaurant and Officer's Club, allegedly received illegal gratuities from several contractors, including gift certificates, money, gifts, and interest free loans in excess of \$10,000--also charged with illegally using the mails in connection with these offenses.

(U)

Cost Savings Through Competition: In order to formalize our commitment to cost savings through competitive acquisition programs, we are developing a new Department directive on competitive acquisition. The directive will establish specific procedures for implementing our stated policy to buy competitively to the maximum extent practicable. It will also support your federal procurement reform plan. I expect it to be issued in early April. (U)

- Sap -

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