

THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

The Honorable Arnold Koller Federal Councillor Head of the Federal Military Department Embassy of Switzerland 2900 Cathedral Avenue, NW Washington, DC 20008



Dear Colleague:

Your letter of 23 December provides both challenge and opportunity for cooperation between our countries. We certainly respect the deliberate and careful approach that you are taking in narrowing down the field for your fighter competition. Nothing would please me more than to have two American candidates in full competition. For these reasons, I appreciate your sharing with me your concerns on the Swiss New Fighter Aircraft Program, and the magnitude and importance of the decision that is before your government.

The Department of Defense will certainly do everything that it can, within the limits of our policy and law, to assist you during the final evaluation of the aircraft. We foresee no impediment to full competition if two American aircraft are the final candidates. The competition requirements that are mandated in our own law and policy will ensure that competitive principles will be followed.

The matter of providing aircraft for limited flight tests in Switzerland should pose no difficulties. I do not foresee any problem with respect to the availability of the aircraft. I am aware that the Secretary of the Air Force has told you that the F-16 can be made available. I foresee no problems with F-18 availability. However, as you know, we will be required to work a lease of the aircraft from the Navy and Air Force to the companies concerned. This is our normal practice. You will understand, of course, that any involvement by our own services will require us to ask you for reimbursement for those expenses as required by our law.

Concerning your question on disclosure and releasability, let me assure you that we appreciate the unique defense needs of Switzerland due to your neutrality, and in particular, the requirement of your armed forces to achieve the maximum possible autonomy in long-term maintenance and life support of defense systems. In this regard, we are justifiably proud of the success that we jointly experienced on the recently completed F-5 acquisition program. As you understand, we cannot make final

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commitments at this time on systems that are still under development for our own forces. However, let me assure you that we will continue to work with your staff to develop a mutually acceptable plan that will fulfill your critical requirements. We are already in the process of working closely with both the Navy and Air staffs to ensure that we are able to release the maximum amount of information possible prior to aircraft selection. You will, of course, continue to receive the same level of effort and attention by this department regardless of whether the F-18 or the F-16 is selected. It will remain useful for your staff to give us clear and early indications of particular issues and points of information that may need our extra attention.

We value the history of cooperation between our two countries and have a real appreciation of the deeply held views of your government and industry, on the subject of cooperative defense procurement. I believe that we can move forward together to reach agreement on a reciprocal procurement memorandum of understanding in a timely manner.

As you requested, our staffs have had substantive discussions on the matter of costs related to recoupment of research and development and non-recurring costs. I appreciate the fact that the Swiss New Fighter Aircraft Program will probably be one of the largest single Swiss Government expenditures until the next century and I agree that it is important for you to obtain the most effective defense as economically as possible. I believe that the inherent elements of the costs associated with either the F-16 or the F-18, as we present them, represent a fair and honest approach with no attempt to hide costs in one area by inflating them in another. You are naturally familiar with this from the F-5 program, which both of our countries view as a major success in our defense relationship.

As for the matter of landing rights for civil airlines, I understand the importance your government attaches to this. But, as you are aware from your own Defense perspective, this is a matter for negotiation under existing bilateral agreements and understandings.

I understand the need for you to proceed with the urgent consideration of this procurement and give you my best wishes for a successful 1988. You have my support and that of the Defense Department as you proceed in your selection process. I have the fullest confidence in the continued effective cooperation between our governments should you decide to procure either the F-18 or the F-16.

Sincerely,

Head Carlow.

DEFENSE SECURITY ASSISTANCE AGENCY WASHINGTON, DC 20301-2800

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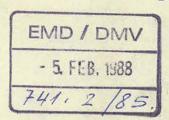
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POSTAGE AND FEES PAID DEPARTMENT OF DEFENSE DOD-302 EMD Nr. 741.2/85 W+160

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3003 Bern, 1. Februar 1988



Herrn Bundesrat A. Ogi Vorsteher des Eidg. Verkehrsund Energiewirtschaftsdepartements

3003 Bern



Lieber Adolf,

In der Beilage übermittle ich Dir in Kopie das Schreiben des Amerikanischen Verteidigungsministers vom 19.1.88 und mache Dich insbesondere aufmerksam auf die Antwort des Ministers bezüglich der zivilen Landerechte in den USA (Seite 2).

Mit freundlichen Grüssen

sig. Koller

A. Koller

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