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DES EIDG MILITARDEPARTEMENTS

Bern, 23rd December 1987

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The Honorable Frank C. Carlucci Secretary of Defense The Pentagon, Room 3E880 Washington, D.C. 20301-1000

Dear Mr Secretary

As you know, the Swiss Government is moving swiftly toward a number of significant decisions on defense procurement issues. Among these decisions, the most important one is the selection of a new fighter aircraft for the Swiss Air Force. The aircraft we choose will be the mainstay of Swiss air defenses well into the next century; consequently, we are approaching that decision with great care and deliberation.

I am about to present the results of my Department's pre-evaluation analysis to the other members of the cabinet. Our evaluation efforts have been going on for the past two years and were concentrated in the last 12 months on the F-16 C/D of General Dynamics, the F/A-18 C/D of McDonnell Douglas, the Mirage 2000 of Dassault and the Swedish JAS-39.

It is now our intention to limit the further evaluation efforts to two candidates and to make a final type selection in the second half of 1988. A proposal for the initial procurement of approximately 40 aircraft is planned to be presented to the Swiss Parliament in 1990.

In case that our two choices for the short list, drawn from among all possible alternatives, should include only American aircraft, thus eliminating the considerable potential of an international competition, my government would need some prior indication of how the United States Department of Defense would respond to Swiss concerns in the following areas:

- Full and willing cooperation of the Department of Defense during the course of the final evaluation of two US aircraft by the Swiss Military Department under competition principles
- Availability of F-16 and F/A-18 aircraft for limited flight tests in-country for evaluation of these aircraft in specific Swiss environment during approximately ten days in April 1988
- Assurance that in matters of disclosure and releasability, the United States is prepared to treat Switzerland on the same basis as the most favored nation precedent



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The intended purchase of a new fighter aircraft represents a major investment for Switzerland. In fact, it will be one of the largest single Swiss Government expenditures for the balance of the century. In order to obtain the most effective defense as economically as possible, we ask that the United States agree to substantive and cooperative negotiations addressing recoupment of its research and development and other non-recurring costs. Our goal would be that Switzerland receive the same consideration in the payment of these and similar charges as have the United States' other Western military aircraft customers in foreign military sales programs.

Finally, a selection of two candidate American aircraft would necessarily signal the continuation of a long era of expanded defense procurement and industry relationships between our countries. We believe that it is appropriate for such ties to be in the context of a bilateral agreement on cooperative procurement. Such an agreement has been under negotiation for some time. We would welcome your assurance that the draft agreement will receive expedited favorable action.

At the same time the Federal Council asks that the Department of Defense will support the standing request of the Swiss Government for additional landing rights in the United States for our civil airlines.

I apologize for raising these important issues with you over the holiday season. Our schedule which foresees a decision by the middle of January, unfortunately, requires that we do so.

With warm best wishes for 1988, I remain,

Sincerely yours,

A. Kull