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OUTGOING

WHITE HOUSE SITUATION ROOM

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THE WHITE HOUSE 1271

DTG: 041620Z NOV 85 PSN: 073351  
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TO LONDON

~~SECRET~~

NOVEMBER 4, 1985

DEAR MARGARET,

I AM SADDENED BY THE TASK OF HAVING TO NOTIFY YOU THAT WE HAVE DECIDED TO AWARD A CONTRACT TO THE FRENCH-U. S. TEAM OF GTE-THOMSON-CSF FOR OUR MILITARY REQUIREMENTS FOR MOBILE COMMUNICATIONS EQUIPMENT. THE U. K. -U. S. TEAM OF PLESSEY-ROCKWELL MADE A TECHNICAL PROPOSAL THAT DEMONSTRATED THE HIGHLY SKILLED CAPABILITY THESE COMPANIES POSSESS. UNFORTUNATELY, HOWEVER, THE FRENCH-U. S. SYSTEM ALSO MET U. S. MILITARY REQUIREMENTS, AND WAS ESTIMATED TO COST SEVERAL BILLIONS OF DOLLARS LESS. UNDER OUR PROCUREMENT PROCEDURES AND BUDGET AND OVERSIGHT PRESSURE FROM CONGRESS, CAP WAS JUST NOT ABLE TO TAKE ANY OTHER DECISION.

I AM FULLY AWARE OF YOUR MANY EFFORTS TO SUPPORT U. K. -U. S. COOPERATIVE EFFORTS AND PERSONALLY DIRECTED CAP TO VERIFY INDEPENDENTLY THE COSTS INVOLVED TO BE CERTAIN ABOUT THE VALIDITY OF THE MAGNITUDE OF THE DIFFERENCES. BECAUSE I SHARE AND APPRECIATE YOUR INTEREST IN IMPROVING U. K. -U. S. COOPERATIVE EFFORTS I HAVE ASKED CAP TO PROCEED ON TWO FRONTS IN REGARDS TO FINDING WAYS FOR US TO ALIGN OUR DEFENSE REQUIREMENTS TO TAKE ADVANTAGE OF U. K. SKILLS AND INDUSTRIAL EXPERTISE. FIRST, WE WILL RENEW OUR EFFORTS TO INTEGRATE U. K. FIRMS AND CAPABILITIES INTO OUR SDI PROGRAM AND INDEED INTO OUR DEFENSE REQUIREMENTS IN GENERAL. SECOND, WE WILL LOOK FOR WAYS TO SHARE OUR TECHNOLOGICAL ASSETS WITH YOU WITHIN THE CONSTRAINTS OF SPECIAL BILATERAL AGREEMENTS ON SENSITIVE TECHNOLOGIES THAT WE BOTH HOPE WILL ALLOW THE U. K. TO ASSUME MORE RAPIDLY A POSITION OF TECHNOLOGICAL LEADERSHIP IN ITS VARIOUS EUROPEAN COOPERATIVE DEVELOPMENT PROGRAMS. WE WILL BE IN CONTACT WITH YOU IN REGARDS TO BOTH APPROACHES IN THE NEAR FUTURE.

SINCERELY,

RON

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BY ai NARA DATE 4/10/07