

~~CONFIDENTIAL~~

SYSTEM II
91142 a/o OUTGOING

WHITE HOUSE SITUATION ROOM

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SIT093

DTG: 050133Z NOV 85 PSN: 074525
TOR: 309/0122Z

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DE WTE #1292 3090122
O 050133Z NOV 85
FM THE WHITE HOUSE

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NLRR EOZ-069 #210
BY CL NARA DATE 4/10/07

TO THE CABINET OFFICE

~~CONFIDENTIAL~~ VIA CABINET OFFICE CHANNELS WH01292

NOVEMBER 5, 1985

DEAR MARGARET,

I WANTED TO REPLY IMMEDIATELY. AS I TOLD YOU EARLIER, MY HEART IS WITH YOU, BUT GIVEN OUR PROCUREMENT LAWS AND REGULATIONS AND HEIGHTENED CONGRESSIONAL AND PUBLIC INTERESTS IN DEFENSE COSTS, DEFENSE SIMPLY COULD NOT FIND A WAY TO SPAN THE CONSIDERABLE COST DIFFERENCE BETWEEN THE TWO PROPOSALS.

CAP AND HIS SENIOR STAFF ANALYZED AND RE-ANALYZED THE PROPOSALS AND, IN THE END, DEFENSE HAD NO OTHER CHOICE. AS YOU MAY KNOW, OUR COST CRITERIA INCLUDE NOT ONLY THE SYSTEM'S COST BUT ALSO THE LIFE CYCLE COSTS. I AM ASKING CAP TO PROVIDE MICHAEL HESELTINE THE DETAILS OF OUR COST ANALYSIS AND HOW WE CALCULATED THE COMPARATIVE COST. I AM ASSURED THAT DEFENSE EXPLORED EVERY POSSIBLE WAY TO BRIDGE THE GAP.

MARGARET, I FEEL OBLIGATED TO LET YOU KNOW THAT DEFENSE WILL BE PUBLICLY ANNOUNCING ITS DECISION TOMORROW, NOVEMBER 5. YOU HAVE TRULY BEEN MY MOST SOLID SUPPORTER, AND I SINCERELY WISH THE

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OUTCOME HAD BEEN DIFFERENT.

BEST REGARDS,
RON

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