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SUMMARY REPORT OF THE SECURITY ASSISTANCE COMMITTEE

BACKGROUND:

- The ROK side will open the meeting with a presentation describing (a) the present military balance; (b) progress in implementing the first ROK Force Improvement Plan (FIP I, FY 75-81); (c) The ROK's FIP II (FY 82-86) objectives. The following subjects will be discussed:
  - F-16 aircraft purchase. The ROK has requested planning and budgetary (P&B) data for 36 F-16s. The ROK side will be advised that (a) their P&B request will be processed expeditiously and a response will be forthcoming prior to 1 January 1980 and (b) it is the USG's understanding that this P&B request supercedes the ROK's March 1977 request for a letter of offer for 60 F-16s.
  - "Category A" status. The ROK will request that Korea be placed in the same category with NATO, Japan, et. al., for FMS and commercial purchases. Strictly speaking, the terms "Category A" and "Category B" refer to prescribed channels for submission of FMS requests. In the ROKS' view, however, "Category A" status includes elimination of all distinctions between Korea and NATO, Japan, et. al., with respect to FMS and commercial purchases. The ROKS' will be advised that designation as "Category A" would not speed up the processing of Korea's request for significant combat equipment (SCE) because (1) when delays in processing occur they are caused by policy or technical problems and not by channel of submission; (2) all "Category A" country requests for SCE are reviewed by OSD and State prior to issuance of a letter of offer; and (3) all requests requiring Congressional notification must first be reviewed and approved by OSD and State. They will be further advised that, in practice, Korea already enjoys "Category A" status but that the USG would not wish to publicize this fact because other countries with whom the United States has close relations, including Greece, Turkey, and Israel, have "Category B" status. With regard to other perquisites associated in the ROK's mind with "Category A" status, they will be advised that

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for political reasons, the Administration would not wish to seek changes to existing security assistance legislation placing the ROK ahead of other countries with whom the United States has close relations.

- ROK/US Combined Exercises. The ROK side will request that the scale and frequency of combined exercises be increased. They will be advised that the suspension of ground forces withdrawal constitutes a reaffirmation of the US commitment to ROK security and that any USG decision to reduce the scale or frequency of exercises for economy purposes should not be construed by Korea as a weakening of that commitment.
- FMS Credit. The ROK side will request increased FMS credit assistance to support their second force improvement plan. They will be advised that future FMS credit levels will probably undergo reductions as the result of Congressional cuts in the worldwide program and that, for budgetary purposes, Korea should plan to finance major FIP II programs largely from its own resources.
- A-10 Aircraft Deployment. The ROK side will request that the US deploy two A-10 squadrons to Korea ASAP to provide additional anti-tank capability. The ROKs will be advised that the USG agrees to deploy one squadron of A-10s to Korea in CY 1982. The details concerning ROK basing support and ROK assumption on non-recurring deployment costs to be worked prior to deployment.
- P-3 aircraft deployment. The ROK side will request that the United States deploy an unspecified quantity of P-3 ASW aircraft to Korea. They will be advised that ROK ASW capability would not be enhanced by such a deployment and that establishment of adequate beddown and support facilities would be prohibitively expensive.
- ROK exports to third countries. The ROK side will request that the USG forego a case-by-case approach in considering ROK requests to export US-origin defense items to third countries and accord the ROK blanket permission to repeat previously approved sales. They will be advised that the USG cannot forego a case-by-case approach because (a) the Administration is required by law to notify Congress 30 days before granting final USG approval of each third country transfer and (b) changing international or other circumstances could cause the USG to disapprove the same sort of transaction that it previously approved. The USG

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side will also advise the ROKS that in deciding whether to produce US-origin defense articles in Korea, they should not count on rendering such projects economically viable through exports to third countries.

RECOMMEND YOU:

- Thank Lt.General Graves for his summation of the Security Assistance Committee's proceedings.
- Affirm that the USG will continue to provide multifaceted support for ROK defense efforts, including:
  - The sale of necessary defense items.
  - Combined ROK-US military exercises.
  - Additional deployments of US air assets.
  - Support for Korean defense industries.

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