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WITHDRAWAL SHEET

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Collection Name SIGUR, GASTON: FILES

Withdrawer

DLB 10/1/2007

File Folder KOREA (SOUTH) 1985 (01/01/1985-02/14/1985)

FOIA

F95-033-5

Box Number 90947 *RAC Box 10*

KOMISAR, LUCY

1

ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions
43664 PAPER	KIM DAE JUNG'S RETURN TO KOREA 0 - 0	3	ND	B1
43665 CABLE	#090957Z FEB 85 0 - 0	4	2/9/1985	B1
43666 CABLE	#091000Z FEB 85 0 - 0	6	2/9/1985	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Sigur
9098
Korea
JS

MEMORANDUM

NATIONAL SECURITY COUNCIL

January 2, 1985

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: DOUGLAS W. McMINN *[Signature]*

SUBJECT: Response to a Letter from Korean Ambassador
Lew

Attached at Tab A is a December 14 letter to you from Ambassador Byong Hion Lew of the Republic of Korea. Ambassador Lew wrote to you to outline Korea's position vis-a-vis negotiations with the United States on carbon steel products. At the time of the Lew letter, our negotiations with Korea to reach a voluntary restraint agreement on Korean imports of carbon steel had been unsuccessful.

Subsequent to the Ambassador's letter, however, bilateral agreement was reached on a mutually acceptable restraint level for Korean carbon steel imports into the United States (on December 18, 1984).

We have drafted a brief response from you to the Ambassador. In the letter, you:

- o thank him for his views;
- o express pleasure over reaching bilateral agreement on carbon steel; and
- o indicate appreciation for his personal role in helping to resolve successfully the difficult bilateral steel issue.

RECOMMENDATION

That you sign the letter to Ambassador Lew at Tab I.

Approve _____ Disapprove _____

Messrs. *Sigur*, Fortier and *Robinson* concur.
(not available)

Attachments

- TAB I Letter to Ambassador Lew
- TAB A Incoming letter

THE WHITE HOUSE

WASHINGTON

Dear Mr. Ambassador:

Thank you for your recent letter concerning U.S. steel imports from the Republic of Korea.

I am pleased that our two countries have now been able to work out a mutually acceptable understanding concerning Korean carbon steel exports to the United States. Your personal efforts were instrumental in helping to forge a negotiating compromise on this difficult issue.

Again, thank you for communicating your views to me. Best wishes to you for the New Year.

Sincerely,

His Excellency
Byong Hion Lew
Ambassador of the
Republic of Korea
Washington, D.C. 20008

EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D. C.

December 14, 1984

The Honorable
Robert C. McFarlane
Assistant to the President
for National Security Affairs
Washington, D.C. 20500

Dear Mr. McFarlane:

As the December 18 date targetted by President Reagan for resolution of the steel issue approaches, I wanted to take this opportunity to reiterate the position of the Republic of Korea.

To summarize briefly, my Government recognizes President Reagan's concern over steel imports and we have consistently stated our willingness to assist in find a solution. Korea is a fair trader and does not divert steel exports from its market to the United States. Indeed, imported steel accounts for 24 percent of the Korean market--more than virtually any other country except the United States. President Reagan has given assurances that while he intends to take action against unfair steel exporters, his policy is aimed at "maintaining access to our market for those who trade fairly." Consequently, Korea expects that it will not be asked to absorb the drastic cutbacks which USTR might impose upon the unfair traders. Korea expects to be treated comparably to Canada and Japan, the other major fair trading exporters.

We were unable to reach agreement with USTR during three rounds of negotiations, but Korea stands ready to continue discussions at an early date as we have advised USTR. Pending further discussions, the Korean Government is instituting a four-point program to contribute to a solution, which is explained in the attached letter from First Assistant Minister Kim Chulsu to Ambassador Lighthizer dated December 10, 1984. The program is aimed at establishing: a standstill on steel exports at current levels, elimination of Korea's licensing program for carbon steel products, a commitment to continue importing substantial quantities of steel from other countries, and an undertaking to continue trading fairly.

I thought it would be useful to communicate these views to you, and I thank you for your attention.

Sincerely,



Byong Hion Lew
Ambassador

Enclosure: As stated

December 10, 1984

Ambassador Robert Lighthizer
Deputy U.S. Trade Representative
Winder Building
600 - 17th Street, NW
Washington, DC 20506

Dear Mr. Ambassador:

Since we have had three separate consultations over the past two months concerning carbon steel exports from Korea, I thought it would be useful to review the record and describe concrete steps which my government is prepared to take.

To begin, let me reiterate, as I have done in each of our consultations, the willingness of Korea to cooperate with the United States in creating more orderly conditions in the U.S. steel market. We are sympathetic to the difficulties which your domestic industry has encountered and we understand the importance of the decision taken by the President on September 18, 1984 to reject the protectionist recommendation for the establishment of quotas and, instead, to negotiate export restraint arrangements which would have the effect of eliminating the adverse impact upon domestic producers of unfair trading practices. My government has made it plain, from the outset, that it was prepared to participate in such an effort. However, we are not prepared to agree to severe reductions in the level of Korean exports to the United States. The proposal which you have made would limit Korea to 1.7 percent of the U.S. market. This would result in a 20 percent reduction from Korea's 1983 export level and 29 percent reduction from its 1984 export level. As I have explained to you on several occasions, my government cannot accept such a proposal.

Korea has not objected, in principle, to restraining its exports for a limited period of time in order to assist the United States in its efforts to restructure. At the same time, Korea has insisted that its status as a fair trader be acknowledged in the terms of the agreement itself and that Korea not be discriminated against in terms of the other fair traders such as Japan and Canada.

In this connection, I note that last week the United States and Japan reached agreement limiting Japanese exports to 5.8 percent in 1985. This represents an increase of 12 percent over Japan's 1983 share. We further note that Canada's trade is currently running at levels 25 percent over its 1983 levels with no indication that its trade will be restrained.

Ambassador Robert Lighthizer
December 10, 1984
Page Two

The United States is apparently seeking a cutback from Korea's 1983 market share despite the fact that Korea is trading fairly and despite the fact that the tentative agreement with Japan calls for a substantial increase over 1983 levels.

We recognize that the United States has an informal deadline of December 18 for implementing its program. Since we are not able to reach agreement at this time, we are prepared to take the following voluntary actions in a spirit of cooperation with the United States:

- Unilateral restraint of Korean exports of carbon and alloy finished steel mill products at current market share levels for a period of one year. This level is a standstill pending further negotiations and is consistent with the increase in market share that the United States recently accorded to Japan.
- The complete elimination of Korea's import licensing program for carbon steel products. As the United States is aware, that program already has been virtually eliminated as part of Korea's recent liberalization efforts.
- A commitment to continue to import substantial amounts of carbon steel products from other countries and to impose no new barriers to those imports. In 1983, imports of carbon steel products totalled roughly 24 percent of Korean steel consumption -- a figure comparable to the import penetration of the United States and far above that of Japan.
- A commitment to continue to trade fairly in steel.

We hope these steps will assist USTR in achieving the objective announced by the President on steel exports to the United States by the December 18 target date, and we will of course be pleased to continue consultations on this subject at a mutually convenient date.

Sincerely,

Dr. Chulsu Kim
Assistant Minister for Trade
Ministry of Trade and Industry
Republic of Korea

MEMORANDUM

NATIONAL SECURITY COUNCIL

MEMORANDUM FOR JOHN E. HILBOLDT

FROM: ROBERT M. KIMMITT

SUBJECT: Presidential Thank You Letter for Gift from
President Chun of Korea

The NSC has reviewed the draft letter at Tab A and approves the text as written.

Attachments:

Tab A Draft reply
Tab B Background material

January 2, 1985

Dear Mr. President:

Nancy and I thank you and Mrs. Chun very much for the handsome 1985 Republic of Korea desk diary which accompanied your warm holiday greetings. You are always so kind to share the spirit of the Season with us and we are truly grateful for your steadfast friendship.

With our heartfelt best wishes for every happiness throughout the New Year,

Sincerely,

RR

His Excellency Doo Hwan Chun
President of the Republic of Korea
Seoul

RR:CMF:JEH:AVH

DISPATCH THRU STATE VIA NSC.

JH

WHITE HOUSE GIFT UNIT

ID: 8402535 LOGGER'S INITIALS: CMF DATES LOGGED: 841226 ARRIVED: 841217

GIFT INTENDED FOR: PRESIDENT AND FIRST LADY CORRESPON. TRACKING: GU

DONOR: FOREIGN OFFICIAL

NAME LAST: CHUN

FIRST: DOO HWAN

PREFIX: HIS EXCELLENCY (& MRS.)

SUFFIX:

TITLE: PRESIDENT OF THE REPUBLIC OF KOREA

ORG:

STREET:

CITY: SEOUL

STATE:

ZIPCODE:

COUNTRY: KOREA, REPUBLIC OF

ACKNOWLEDGEMENT: RR FORM: DFT DATE:

SALUTATION: DEAR MR. PRESIDENT

SPOUSE:

APPRAISED VALUE: 00010 OVER MINIMUM VALUE(O/U): U

ARRIVAL FORM: MAIL ROOM

DESCRIPTION:

HOUSEHOLD - DESK ACCESSORY

"1985 DESK DIARY", LTRD "REPUBLIC OF KOREA" ON FRONT COVER.

DISPOSITION: ARCHIVES, FOREIGN

IF TEMP, DESIG FOR:

ARCHIVE BOX NUMBER:

COMMENTS THRU MR 45 FROM KOREAN EMBASSY; VALUE PER SIMILAR PREVIOUS DIARIES REC'D.

STAFF GIFT INFORMATION

STAFF MEMBER:

TITLE:

GSA #:

COUNSEL APPROVAL(Y/N):

DATE:

283234

*Season's Greetings
and Best Wishes for
a Happy New Year*

전두환 이 노자 .

*President of the Republic of Korea
and Mrs. Chun Doo Hwan*

MEMORANDUM

NATIONAL SECURITY COUNCIL

January 15, 1985

ACTION

MEMORANDUM FOR ROBERT M. KIMMITT

FROM: GASTON J. SIGUR ^{G.S.}SUBJECT: Presidential Thank You Letter for Gift from
President Chun of Korea

I have reviewed the attached draft letter to President Chun and find no changes necessary.

RECOMMENDATION:

That you forward Tab I to John Hilboldt

Approve _____

Disapprove _____

Attachments:

Tab I Kimmitt memo to Hilboldt
 Tab A Draft reply
 Tab B Background material

July
(Korea)



gc

United States Department of State

Washington, D.C. 20520

Korea

~~SECRET/SENSITIVE~~

MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

SUBJECT: Briefing Memorandum on Kim Dae Jung's Imminent Return
to Korea

For your information, attached is a briefing memorandum on
the imminent return of Korean dissident leader Kim Dae Jung to
his homeland.

Nicholas Platt
Executive Secretary

Attachment:

Briefing Memorandum on Kim Dae Jung's Return to Korea

DECLASSIFIED

Department of State Guidelines, July 21, 1997

By *ds* NARA, Date *10/1/07*

~~SECRET/SENSITIVE~~

DECL: OADR

Drafted:EAP/K:WDStraub
1/17/85 (Wang 6634K) x7717

Cleared: EAP:WABrown, Acting
EAP/K:Hisom
EAP:WCSherman (draft)
HA:EAbrams
P:Witoh
S/S:

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name
SIGUR, GASTON: FILES

Withdrawer
DLB 10/1/2007

File Folder
KOREA (SOUTH) 1985 (01/01/1985-02/14/1985)

FOIA
F95-033-5
KOMISAR, LUCY

Box Number
90947

1

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
43664	PAPER	3	ND	B1
	KIM DAE JUNG'S RETURN TO KOREA	0 - 0		

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Koro

MEMORANDUM

NATIONAL SECURITY COUNCIL

January 18, 1985

ACTION

MEMORANDUM FOR ROBERT M. KIMMITT

FROM:

GASTON J. SIGUR *Gast*

SUBJECT:

Request for Appointment with President by
Dae Jung Kim of Korean Institute for Human
Rights

We see no reason for the President to meet with Mr. Kim and
recommend against it.

RECOMMENDATION:

That you forward Tab I to Fred Ryan.

Approve _____

Disapprove _____

Attachment:

Tab I Ryan's memo to Kimmitt returned.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

January 15, 1985

TO: ROBERT KIMMITT

FROM: FREDERICK J. RYAN, JR., DIRECTOR
PRESIDENTIAL APPOINTMENTS AND SCHEDULING

SUBJ: REQUEST FOR SCHEDULING RECOMMENDATION

PLEASE PROVIDE YOUR RECOMMENDATION ON THE FOLLOWING
SCHEDULING REQUEST UNDER CONSIDERATION:

EVENT: Meeting with KIM Dae Jung of Korean Institute For Human Rights

DATE: Before he leaves U.S. on or around January 31, 1985

LOCATION: The White House

BACKGROUND: See attached

YOUR RECOMMENDATION:

Accept _____ Regret Surrogate _____ Message _____ Other _____
Priority _____
Routine _____

IF RECOMMENDATION IS TO ACCEPT, PLEASE CITE REASONS:

RESPONSE DUE ASAP TO Jean Appleby Jackson



KOREAN INSTITUTE FOR HUMAN RIGHTS

January 7, 1985

President Ronald Reagan
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

Please accept my congratulations to you upon your re-election to the presidency.

I am writing to ask if you can find time to meet with me before I depart for my country on or around January 31st.

As I have always openly expressed, you played a decisive role in saving my life just after you were elected to your first term in 1980 when I was to be killed by the Korean military junta. As you may know, the charge of sedition against me was labeled "far-fetched" by the United States State Department. Your administration also played a significant role in my release from prison and travel to this country in December of 1982. I want to express my gratitude to you once again because while I have been here, your administration has provided me and my family with freedom and safety. Considering these things, even though I have some disagreements with your administration's policy toward Korea, this does not prevent me from feeling deeply grateful to you and your administration. I have always tried to be a good and sincere friend of the American people, your administration and you.

Before leaving this country, I want to convey my gratitude to you in person. I would also like to discuss our mutual interests - especially human rights, democracy, the economy and security of the Republic of Korea, and peace on the Korean peninsula.

I hope you may find time to meet with me for a short while. I look forward to receiving your response.

May God bless you and Mrs. Reagan,

Kim Dae Jung
KIM Dae Jung

Korea

MEMORANDUM

NATIONAL SECURITY COUNCIL

January 30, 1985

ACTION

MEMORANDUM FOR ROBERT M. KIMMITT

FROM: GASTON J. SIGUR *GJS*

SUBJECT: Presidential Letter to President Chun Doo Hwan
of Korea Re Baseball as Gold Medal Sport

Attached at Tab I is a memo from you to Richard Darman forwarding a letter for the President's signature to President Chun of Korea. Please note the letter to President Chun is to be sent to Commissioner Bowie Kuhn for delivery.

Speechwriters approve text.

Attachments:

Tab I Kimmitt memo to Darman
Tab A President's ltr to Chun, w/enclosure

MEMORANDUM

NATIONAL SECURITY COUNCIL

MEMORANDUM FOR RICHARD G. DARMAN

FROM: ROBERT M. KIMMITT

SUBJECT: Presidential Letter to President Chun Doo Hwan
of Korea Re Baseball as Gold Medal Sport

Attached at Tab A is a letter for the President's signature to President Chun of Korea, recommending that baseball become a Gold Medal sport, and encouraging President Chun to help in bringing this about.

This letter is to be delivered to Commissioner Bowie Kuhn who will deliver it to President Chun. A copy of a Presidential letter to Chairman Rho, dated last September, is enclosed in the President's letter to Chun.

Attachment:

Tab A President's ltr to Chun, w/enclosure

THE WHITE HOUSE

WASHINGTON

Dear Mr. President:

I understand that an important Executive Committee meeting of the International Association of Amateur Baseball will be held in Seoul in early February. Representatives from 12 nations will attend, including Bowie K. Kuhn, former American Baseball Commissioner; Peter O'Malley, the owner of the Los Angeles Dodgers Baseball team; and Dr. Robert Smith, President of the Association. I have asked Commissioner Kuhn to deliver this letter to you.

A major purpose of the Executive Committee meeting will be to develop procedures to help baseball become a Gold Medal sport in the 1988 Olympics. As the letter I sent to the Seoul Olympic Organizing Committee last September indicates, I believe that baseball, with its wide and growing international popularity, deserves that status.

Mr. President, your personal support is needed and I would appreciate your help in making this worthy goal a reality.

Sincerely,

His Excellency
Chun Doo Hwan
President of the Republic of Korea
Seoul

THE WHITE HOUSE

WASHINGTON

September 26, 1984

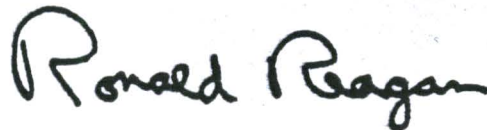
Dear Mr. Roh:

I am delighted that my friend Bowie K. Kuhn -- America's foremost unofficial ambassador of our national pastime, baseball -- is again visiting Korea. It is a source of great pride that so many of our friends in Korea, and around the world, have come to enjoy baseball as fully as we do in the United States.

As you know, we were pleased that baseball was a demonstration sport at the Los Angeles Games, an important prelude to its designation as a Gold Medal sport. The extraordinary attendance at the baseball games provides ample proof of the popularity of the sport, not only in our two countries, but in many countries in different parts of the world.

Please accept my sincere best wishes as you move forward in preparation for the 1988 Games in Seoul. Obviously we believe that a decision to elevate baseball to its proper status as a Gold Medal sport will enhance the success of the XXIV Summer Olympiad.

Sincerely,

A handwritten signature in black ink that reads "Ronald Reagan". The signature is written in a cursive style with a large, prominent "R" at the beginning.

Mr. Tae Woo Roh
Chairman
1988 Seoul Olympic Organizing Committee
19 Moohyo-Dong, Choong-Ku
Seoul, Korea

2-2-85

Dear Mr. Sigur,

I am enclosing a copy
of the bio-sketch of the Hon.
Lee Teen Woo for your reference.
It is indeed so nice of you
to take time out of your
busy schedule to see him.
Mr. Lee speaks good English
and I am certain that you
will enjoy seeing him -

I look forward to seeing
you -

With best wishes,

Sincerely Yours,
Youngshim Cho

P.S. Chris told me to tell
you that he urged me to
meet you - I hope that
you will remember me
since I was the official
translator between President
Reagan and the Speaker of
the National Assembly when
you accompanied your President
to the National Assembly in 1983.
I am also enclosing a copy
of my resumé.

PROFILE OF MR. JEEN WOO LEE
SECRETARY GENERAL OF THE NATIONAL ASSEMBLY

12090

Born on February 20, 1934, he attended Seoul National University and graduated from there in 1956. Following his graduation he finished graduate course and got the M.A. at the same University. He passed the bar examination in 1958. He became a professor at Pusan University and then went on to become a public prosecutor from 1963 until 1979. While serving in this position he spent 2 years (1974-1976) as Legal Counsel to the Legislative and Judiciary Committee of the National Assembly. During his time as public prosecutor he took the opportunity to attend the University of California, Berkeley, where he furthered his education.

Returning to his post as public prosecutor, he took a greater interest in public matters and was elected a member of the National Assembly in 1980. In the same year he became Chairman of the Policy Committee of the Ruling Party.

While serving as a member of the National Assembly he was actively involved in the Asian-Pacific Parliamentarians' Union (APPU) as the Chairman of the Executive Committee and served as President of the Korea-Norway Parliamentarians' Friendship Association.

In December of 1984 he was appointed Secretary General of the National Assembly and he is presently engaged in the many responsibilities involved with that position.

Besides public services, he has shown particular concerns on the welfare of disabled persons. He is now the President of the Organizing Committee of the Seoul International Games for Disabled to be held in 1988.

His personal interests include his family and his church duties. He is an Elder in his church and has been a dedicated member of various choirs for over 25 years.

BIOGRAPHY FOR YOUNGSHIM DHO LEE

Permanent Address

120-16, Suesomoondong, Chungku
Seoul, Korea
783-2990

Local Address

Apt. 204
414 Seward Sq. S.E.
Washington, D.C. 20003
543-7574

Present Position

Currently being sponsored by the Asia Foundation as a fellow with the U.S. Congress. On leave from a full time position as Executive Assistant to the Speaker of the National Assembly of the Republic of Korea. During the past 6 years in this position have accompanied the Speaker on numerous official visits and acted as liasion officer with the various foreign embassies in Seoul. Have been actively involved in the Inter-Parliamentary Union and the Asian-Pacific Parliamentarians' Union, participating in numerous conferences and meetings. Acted as Chief Assistant to the President of the 70th Inter-Parliamentary Conference which was held in Seoul (October 1983).

Furthermore, have served as a special consultant to the floor leader and chairman of the Steering Committee on U.S.-Korea relations. Participated in numerous meetings as an advisor on future strategy for increased cooperation between the U.S. Congress and the National Assembly.

Previous Work Experience

Participated in the United Nations Summer Seminar (1970). Media Assistant with Ted Bates and Company, New York (1970-1971).

Education

University of Oklahoma, Seoul Campus. Currently attending Graduate School of Public Administration.

Sorbonne University, Paris 1980-1981. Certificate in French Civilization and Language under scholarship from the French Foreign Ministry.

(contd.)

Education (contd.)

The University of Wisconsin, Madison 1971. Bachelor of Science Degree in Journalism and Public Relations. Minor in French Literature.

Awards

Keunjo-Honjo Medal. Received from the President of the Republic of Korea.

Special Skills

Fluent spoken and written English, French and Korean.

Personal Data

Born December 26, 1947. Married with 2 children.

Organizations and Activities

ZONTA International Club, Modern Art Society.

References

Personal and professional reference available upon request.

MEMORANDUM

NATIONAL SECURITY COUNCIL

0756

Sigur

February 6, 1985

[Signature]
Korea

MEMORANDUM FOR RONALD K. PETERSON

FROM: ROBERT M. KIMMITT *WKP*

SUBJECT: DOD Draft Proposal re Reciprocal Logistics Support
in NATO and ROK

The NSC staff has no objections to Defense draft proposal (99-43), "To amend chapter 138 of Title 10, USC, to authorize the Secretary of Defense to enter into certain agreements to further the readiness of the military forces of the U.S. and other NATO countries and the Republic of Korea."

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

February 5, 1985

MEMORANDUM FOR ROBERT M. KIMMITT

FROM: MICHAEL DONLEY

SUBJECT: DOD Draft Proposal re Reciprocal Logistics Support
in NATO and ROK

NSC views were requested by OMB concerning a DOD draft proposal designed to improve the readiness of U.S. forces in NATO and Korea.

The draft legislation would permit the SecDef, after consultation with the SecState, to enter into agreements with NATO governments and Korea for logistics, supplies, and services support on a reciprocal basis. It is anticipated that such agreements would improve the near-term readiness and interoperability between U.S. and Allied military forces.

The draft proposal provides for the necessary and appropriate oversight of such agreements.

Recommendation

That you initial and forward the attached memo to Ronald Peterson at Tab I, indicating no NSC objections to the bill.

Approve _____ Disapprove _____

R. Lehman, C. Lehman, D. Mahley, C. Sigur, and J. Matlock concur.

Attachments

Tab I Memorandum for Peterson, OMB
Tab II Incoming materials from OMB



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

13 pages w/cover (0756)

SPECIAL

January 25, 1985

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer-
Department of State - Alba 632-0430 (25)
National Security Council
Office of Federal Procurement Policy

SUBJECT: Defense draft proposal (99-43), "To amend chapter 138 of title 10, United States Code, to authorize the Secretary of Defense to enter into certain agreements to further the readiness of the military forces of the United States and other North Atlantic Treaty Organization countries and the Republic of Korea."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than FRIDAY, FEBRUARY 22, 1985.

Questions should be referred to Tracey Lawler/Sue Thau (395-7300) the legislative analyst in this office.

Ronald K. Peterson
RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosures

cc: B. Howard
J. Eisenhour
B. Bedell

SPECIAL



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D.C. 20301

DOD 99-43

Honorable Thomas P. O'Neill, Jr.
Speaker of the House of Representatives
Washington, D. C. 20515

Dear Mr. Speaker:

There is forwarded herewith legislation "To amend chapter 138 of title 10, United States Code, to authorize the Secretary of Defense to enter into certain agreements to further the readiness of the military forces of the United States and other North Atlantic Treaty Organization countries and the Republic of Korea.

The proposed legislation is part of the Department of Defense legislative program for the 99th Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. It is recommended that this proposal be enacted by the Congress.

Purpose of the Legislation

The proposed legislation would amend chapter 138 to title 10, United States Code, to allow the exchange of logistics support, supplies, and services with the armed forces of the Republic of Korea as well as North Atlantic Treaty *Organization.*

The amended legislation would permit our Armed Forces to further realize in a practical way some of the fruits of standardization and interoperability and advance us further towards a broader application of those policies. It would facilitate the acquisition from host nations and deployed national contingents of necessary logistical support, including for example rations, billeting, transportation, base support and other items and services for the United States forces stationed in NATO countries or in the Republic of Korea or deployed for exercises.

In effect, the proposed legislation would extend to the Republic of Korea the treatment currently provided to NATO and NATO member nations pursuant to the NATO Mutual Support Act. This would significantly strengthen collective security, and international cooperation. The readiness of the United States as well as that of the other NATO countries and the Republic of Korea would also be improved.

2

The amended legislation would authorize the Secretary of Defense to conclude cross-serving agreements with the Government of the Republic of Korea and would require him to issue implementing regulations prior to making or filling of any requisitions under the proposed legislation by the U.S. Armed Forces. The agreements would be premised on principles of full reciprocity, and Department of Defense implementation would assure that U.S. Armed Forces receive as much support as they provide. The proposed legislation would not be used for large scale, high value, or routine resupply transfers between individual United States military departments and their host counterparts. In both peace and war, the primary means of U.S. support and resupply would remain within the security assistance program. The Department of Defense sees the proposed legislation as a powerful catalyst for the standardization of allied forces.

Cost and Budget Data

The enactment of this proposal should cause no impact on the budgetary requirements of the Department of Defense since the proposal requires reimbursement or exchange/replace-in-kind for all transactions involving logistics support, supplies, or services. In addition, acquisitions made by the U.S. Military Departments under this authority would be made within appropriations established by fiscal legislation.

Sincerely,

Enclosure

A BILL

To amend chapter 138 of title 10, United States Code, to authorize the Secretary of Defense to enter into certain agreements to further the readiness of the military forces of the United States and other North Atlantic Treaty Organization countries and the Republic of Korea.

1 Be it enacted by the Senate and House of
2 Representatives of the United States of America in Congress
3 assembled, that this act may be cited as the "North Atlantic
4 Treaty Organization and Republic of Korea Mutual Support Act
5 of 1984."

6 SEC. 2.(a) Chapter 138, Title 10, United States Code,
7 is amended to read as follows:

8 "CHAPTER 138 - NATO AND REPUBLIC OF KOREA ACQUISITION
9 AND CROSS-SERVICING AGREEMENTS

10 "Sec.

11 "2321. Authority to acquire logistics support,
12 supplies, and services for United States armed forces in
13 Europe and the Republic of Korea.

14 "2322. Cross-servicing agreements.

15 "2323. Law applicable to acquisition and cross-
16 servicing agreements.

17 "2324. Methods of payment for acquisitions and
18 transfers by the United States.

19 "2325. Liquidation of accrued credits and liabilities.

20 "2326. Crediting of receipts.

21 "2327. Limitations on amount that may be obligated or
22 accrued by the United States.

23 "2328. Inventories of supplies not to be increased.

1 "2329. Regulations.

2 "2330. Annual reports.

3 "2331. Definitions.

4 "§2321. Authority to acquire logistics support,
5 supplies, and services for United States armed forces in
6 Europe and the Republic of Korea

7 "Subject to section 2323 of this title and subject
8 to the availability of appropriations, the Secretary of
9 Defense may acquire from the governments of North
10 Atlantic Treaty Organization countries, North Atlantic
11 Treaty Organization subsidiary bodies, and the
12 Government of the Republic of Korea logistics support,
13 supplies, and services for elements of the armed forces
14 deployed in Europe, the Republic of Korea, and
15 adjacent waters.

16 "§2322. Cross-servicing agreements

17 "Subject to section 2323 of this title and to the
18 availability of appropriations, and after consultation
19 with the Secretary of State, the Secretary of Defense
20 may enter into agreements with the government of any
21 North Atlantic Treaty Organization country, with any
22 North Atlantic Treaty Organization subsidiary body, and
23 with the Government of the Republic of Korea under
24 which the United States agrees to provide logistics
25 support, supplies, and services to military forces of
26 such country or subsidiary body deployed in Europe, the

1 Republic of Korea, and adjacent waters in return for
2 the reciprocal provision of logistics support,
3 supplies, and services by such country or subsidiary
4 body to elements of the armed forces deployed in
5 Europe, the Republic of Korea, and adjacent
6 waters.

7 "§2323. Law applicable to acquisition and cross-
8 servicing agreements

9 "(a) Except as provided in subsection (b),
10 acquisition of logistics support, supplies, and
11 services under section 2321 of this title and
12 agreements entered into under section 2322 of this
13 title shall be made in accordance with chapter 137 of
14 this title and the provisions of this chapter.

15 "(b) Sections 2207, 2304(g), 2306(a), 2306(b),
16 2306(e), 2306(f), and 2313 of this title, section 3741
17 of the Revised Statutes (41 U.S.C. 22), and section 719
18 of the Defense Production Act of 1950 (50 U.S.C. App.
19 2168) shall not apply to acquisitions made under the
20 authority of section 2321 of this title or to
21 agreements entered into under section 2322 of this
22 title.

23 "§2324. Methods of payment for acquisition and
24 transfers by the United States.

25 (a) Logistics support, supplies, and services may
26 be acquired or transferred by the United States under
27 the authority of this chapter on a reimbursement basis
28 or by replacement-in-kind or exchange of supplies or
29 services of an identical or substantially identical
30 nature.

1 "(b)(1) In entering into agreements with the
2 Government of another North Atlantic Treaty
3 Organization country or the Republic of Korea for the
4 acquisition or transfer of logistics support, supplies,
5 and services on a reimbursement basis, the Secretary of
6 Defense shall negotiate for adoption of the following
7 pricing principles for reciprocal application:

8 "(A) The price charged by the supplying
9 country for logistics support, supplies, and
10 services specifically procured by the supplying
11 country from its contractors for the recipient
12 country shall be the same as the price
13 for identical items or services charged by such
14 contractors to the armed forces of the supplying
15 country, taking into account price differentials
16 due to delivery schedules, points of delivery, and
17 other similar considerations.

18 "(B) The price charged a recipient country
19 for supplies furnished by a supplying country from
20 its inventory, and the price charged a recipient
21 country for logistics support and services
22 furnished by the officers, employees, or
23 governmental agencies of a supplying country,
24 shall be the same as the price charged for
25 identical supplies, support or services acquired
26 by an armed force of the supplying country from
27 such governmental sources.

1 "(2) To the extent that the Secretary of Defense
2 is unable to obtain mutual acceptance by the other
3 country involved of the reciprocal pricing principles
4 for reimbursable transactions set forth in paragraph
5 (1) --

6 "(A) the United States may not acquire from
7 such country any logistics support, supply, or
8 service not governed by such reciprocal pricing
9 principles unless the United States forces
10 commander acquiring such support, supply, or
11 service determines (after price analysis) that
12 the price thereof is fair and reasonable; and

13 "(B) transfers by the United States to
14 such country under this chapter of any logistics
15 support, supply, or service that is not governed
16 by such reciprocal pricing principles shall be
17 subject to the pricing provisions of the Arms
18 Export Control Act (22 U.S.C. 2751 et. seq.).

19 "(3) To the extent that indirect costs (including
20 charges for plant and production equipment),
21 administrative surcharges, and contract administration
22 costs with respect to any North Atlantic Treaty
23 Organization country or the Republic of Korea are not
24 waived by operation of the reciprocal pricing
25 principles of paragraph (1), the Secretary of Defense
26 may, on a reciprocal basis, agree to waive such costs.

1 *(4) The pricing principles set forth in
2 paragraph (2) and the waiver authority provided in
3 paragraph (3) shall also apply to agreements with North
4 Atlantic Treaty Organization subsidiary bodies under
5 this chapter.

6 *\$2325. Liquidation of accrued credits and
7 liabilities

8 *Credits and liabilities of the United States
9 accrued as a result of acquisitions and transfers of
10 logistics support, supplies, and services under the
11 authority of this chapter shall be liquidated not less
12 often than once every three months by direct payment to
13 the entity supplying such support, supplies or services
14 by the entity receiving such support, supplies, or
15 services. Replacement-in-kind or exchange entitlements
16 resulting from a reimbursable transaction shall be
17 satisfied within 12 months or less from the date of
18 delivery of the logistics support, supplies, or
19 services.

20 *\$2326. Crediting of receipts

21 *Any receipt of the United States as a result of
22 an agreement entered into under this chapter shall be
23 credited to applicable appropriations, accounts, and
24 funds of the Department of Defense.

25 *\$2327. Limitation on amount that may be obligated or
26 accrued by the United States.

27 *(a) Except during a period hostilities involving
28 the North Atlantic Treaty Organization, the total

1 amount of reimbursable liabilities that the United
2 States may accrue under this chapter (before the
3 computation of offsetting balances) involving tran-
4 sactions with North Atlantic Treaty Organization
5 countries and subsidiary bodies may not exceed
6 \$100,000,000 in any fiscal year, and of such amount
7 not not more than \$25,000,000 in liabilities may be
8 accrued for the acquisition of supplies (other than
9 petroleum, oils, and lubrications).

10 "(b) Except during a period of active hostilities
11 involving the North Atlantic Treaty Organization, the
12 total amount reimbursable credits that the United
13 States may accrue under this chapter (before the
14 computation of offsetting balances) involving tran-
15 sactions with North Atlantic Treaty Organization
16 countries and subsidiary bodies may not exceed
17 \$100,000,000 in any fiscal year.

18 "(c) Except during a period of active hostilities
19 involving the Republic of Korea, the total amount of
20 reimbursable liabilities that the United States may
21 accrue under this chapter (before the computation of
22 offsetting balances) involving transactions with the
23 Republic of Korea may not exceed \$25,000,000 in any
24 fiscal year, and of such amount not more than
25 ~~\$100,000,000~~^{\$ 10,000,000} in liabilities may be accrued for the
26 acquisition of supplies (other than petroleum, oils and
27 lubricants).

1 "(d) Except during a period of active hostilities
2 involving the Republic of Korea, the total amount of
3 reimbursable credits that the United States may accrue
4 under this chapter (before the computation of
5 offsetting balances) involving transactions with the
6 Republic of Korea may not exceed ^{\$ 25,000,000} ~~\$250,000,000~~ in
7 any fiscal year.

8 "\$2328. Inventories of supplies not to be increased.

9 "Inventories of supplies for elements of the armed
10 forces of the United States may not be increased for
11 the purpose of transferring supplies under the authority of
12 this chapter to military forces of any North Atlantic Treaty
13 Organization country, North Atlantic Treaty Organization
14 subsidiary body, or the Republic of Korea.

15 "\$2329. Regulations

16 "The Secretary of Defense shall prescribe amended
17 regulations to implement this chapter and shall, not
18 later than sixty days before the effective date of such
19 regulations, transmit copies of such regulations to the
20 Congress. No agreement to make an acquisition or
21 transfer under the authority provided by this chapter
22 may be entered into with the Republic of Korea until
23 until such amended regulations take effect.

24 "\$2330. Annual reports

25 "The Secretary of Defense shall submit to the
26 Congress not later than February 1 of each year a
27 report containing --

1 "(1) a description of each agreement entered into
2 under the authority of this chapter that was in effect
3 during the fiscal year preceding the fiscal year in
4 which such report is submitted;

5 "(2) a report of the dollar value of each
6 reimbursable acquisition or transfer of logistics
7 support, supplies, and services by the United States
8 (by appropriation, account, or fund) during such fiscal
9 year under each such agreement;

10 "(3) a report nonreimbursable acquisitions and
11 transfers to logistics support, and services by the
12 United States (by appropriation, account, and fund)
13 during such fiscal year under each such agreement, and

14 "(4) a description of each agreement entered into
15 (or expected to be entered into) under the authority of
16 this is expected to be in effect during the fiscal year
17 in which such report is submitted, together with a
18 report of the estimated total dollar value of
19 acquisitions and transfers by the United States
20 (by appropriation, account, or fund) expected to be
21 made during such fiscal year under such agreement.

22 "§2331. Definitions

23 "In this chapter:

24 "(1) 'Logistics support, supplies, and services'
25 means food, billeting, transportation (specifically
26 excluded are transportation services covered under
27 section 2213 of chapter 131 of title 10, United States

1 Code), petroleum, oils, lubricants, clothing, communi-
2 cations services medical services, munitions
3 base operations support (and construction incident to
4 base operations support), storage services, use of
5 facilities, training services, spare parts and
6 components, repair and maintenance services and port
7 services.

8 "(2) 'North Atlantic Treaty Organization
9 subsidiary bodies' means --

10 "(A) any organization within the meaning
11 of the term 'subsidiary bodies' in article I of
12 the multilateral treaty on the Status of the North
13 Atlantic Treaty Organization, National
14 Representatives and International Staff, signed at
15 Ottawa on September 20, 1951 (TIAS 2992; 5 UST
16 1087); and

17 "(B) any international military headquarters
18 or organization to which the Protocol on the
19 Status of International Military Headquarters Set
20 Up Pursuant to the North Atlantic Treaty, signed
21 at Paris on August 28, 1952 (TIAS 2978;
22 5 UST 870), applies".

23 (b) The tables of chapters at the beginning of
24 subtitle A, and at the beginning of part IV of subtitle
25 A, of title 10, United States Code, are amended by
26 striking out the chapter number 138 and the title
27 relating to that chapter and inserting in lieu thereof:

28 "Chapter 138 NATO and Republic of Korea
29 Acquisition and Cross-Servicing Agreements
302321".

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