

DOCUMENT RESUME

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The Sale of Sixty F-15s to Saudi Arabia. May 4, 1978. 7 pp.

Testimony before the Senate Committee on Foreign Relations; by Jerome H. Stolarow, Deputy Director, Procurement and Systems Acquisition Div.

Contact: Procurement and Systems Acquisition Div.

Organization Concerned: Department of Defense; Department of State.

Congressional Relevance: Senate Committee on Foreign Relations.

An analysis of the proposed sale of F-15s to Saudi Arabia was based on the 1974 Department of Defense (DOD) survey of Saudi Arabia's defense needs, the March 1978 DOD analysis supporting the F-15 sale, and a study by the Department of State of the military balance and military technology capacities in the Persian Gulf region. The information obtained indicated that: the Saudis do have a valid need to replace aging aircraft; the F-15 is the only readily available U.S. aircraft that meets the criteria established by the Saudi Arabian Government, i.e., two engines, single crew, all weather look down-shoot down radar and missile; and the proposed Middle East arms sales package will not have a significant impact, in terms of numbers of aircraft, on the balance of power in that area. Events leading to the proposed sale were outlined from a June 1974 DOD survey of the Saudis' defense forces to a formal request by the Saudis on May 15, 1977, for 60 F-15s and DOD's August 1977 statement advising Secretary Vance that the sale was considered appropriate. The key factor in DOD's selection of the F-15 rather than other options considered was that it required a lower number of trained or trainable personnel. From this standpoint, GAO questioned the selection of the F-15 rather than additional quantities of F-5s. Of three available U.S. aircraft, the F-15 has the greatest overall air defense capability, but there are questions as to whether it can overcome radar coverage deficiencies. Nonmilitary factors that could influence the decision are the effects of Saudi decisions on oil and support of the U.S. dollar, its purchase of needs from other countries, and financial returns from the sale. (HTW)

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STATEMENT OF
JEROME H. STOLAROW, DEPUTY DIRECTOR
PROCUREMENT AND SYSTEMS ACQUISITION DIVISION
BEFORE THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
ON
THE SALE OF SIXTY F-15s TO SAUDI ARABIA

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE WE ARE PLEASED TO BE HERE TODAY TO COMMENT ON SEVERAL ASPECTS OF THE PROJECTED SALE OF F-15s TO SAUDI ARABIA. AT YOUR REQUEST, WE EXAMINED, AMONG OTHER THINGS, (1) THE 1974 DEPARTMENT OF DEFENSE SURVEY OF SAUDI ARABIA'S DEFENSE NEEDS, (2) THE MARCH 1978 DOD ANALYSIS SUPPORTING THE F-15 SALE TO SAUDI ARABIA, AND (3) A STUDY OF THE MILITARY BALANCE AND MILITARY TECHNOLOGY CAPACITIES IN THE PERSIAN GULF REGION PROVIDED TO US BY THE DEPARTMENT OF STATE.

THE INFORMATION MADE AVAILABLE TO US INDICATES THAT:

--THE SAUDIS DO HAVE A VALID NEED TO REPLACE AGING AIRCRAFT,

--THE F-15 IS THE ONLY READILY AVAILABLE UNITED STATES AIRCRAFT THAT MEETS THE CRITERIA ESTABLISHED BY THE SAUDI ARABIAN GOVERNMENT, I.E., 2 ENGINES, SINGLE CREW, ALL WEATHER LOOK DOWN - SHOOT DOWN RADAR AND MISSILE.

--THE PROPOSED MIDDLE EAST ARMS SALES PACKAGE, WILL NOT HAVE A SIGNIFICANT IMPACT, IN TERMS OF NUMBERS OF AIRCRAFT, ON THE BALANCE OF POWER IN THAT AREA. WE COMPARED THE CURRENT NUMERICAL AIRCRAFT BALANCE WITH THE PROJECTED BALANCE FOR 1983. WE CANNOT DRAW ANY FIRM CONCLUSIONS - OTHER THAN TO STATE THAT THE NUMERICAL RATIOS BETWEEN MIDDLE EAST NATIONS WILL NOT VARY SUBSTANTIALLY IF THE PROPOSED SALE IS CONSUMATED. THE COMBAT CAPABILITY OF EACH COUNTRY IS DEPENDENT ON MANY FACTORS SUCH AS THE DIFFERENT TYPES OF AIRCRAFT THEY OWN, AND MOST IMPORTANT, THE PROFICIENCY AND MOTIVATION OF BOTH AIRCREW AND MAINTENANCE PERSONNEL.

I WOULD NOW LIKE TO BRIEFLY OUTLINE THE SIGNIFICANT EVENTS LEADING TO THE PROPOSED SALE:

--FROM APRIL TO JUNE 1974, DOD PERSONNEL CONDUCTED A SURVEY LEADING TO RECOMMENDATIONS TO IMPROVE SAUDI'S DEFENSE FORCES. ONE KEY AIR DEFENSE RECOMMENDATION WAS THE PROCUREMENT OF AN ADVANCED FIGHTER. NO SPECIFIC AIRCRAFT WAS RECOMMENDED.

--IN NOVEMBER 1974, THE SAUDI'S WERE TOLD BY ASSISTANT SECRETARY OF DEFENSE ELLSWORTH THAT THE U.S. AGREED IN PRINCIPAL TO PROVIDE THEM WITH AN ADVANCED FIGHTER.

--DURING CALENDAR YEAR 1975, MR. CLEMENTS (DEP. SECRETARY OF DEFENSE), GENERAL BROWN (CHAIRMAN, JOINT CHIEFS OF STAFF), AND SECRETARY OF STATE KISSINGER VISITED SAUDI ARABIA REAFFIRMING THE U.S. COMMITMENT; AND A DOD TEAM BRIEFED THE ROYAL SAUDI AIR FORCE ON THE F-14, THE F-15, THE F-16, AND THE F-18.

--IN OCTOBER 1976, MR. CLEMENTS REAFFIRMED THAT THE U.S. WOULD AGREE TO SUPPLY WHATEVER MODEL ADVANCED AIRCRAFT THE SAUDIS WANTED TO PURCHASE.

--THE FORMAL REQUEST TO DISCUSS THE PURCHASE OF F-15S WAS CONTAINED IN A LETTER TO THE U.S. AMBASSADOR IN SAUDI ARABIA DATED FEBRUARY 15, 1977.

--IN MAY 1977, DEFENSE SECRETARY BROWN REAFFIRMED THAT THE U.S. WOULD SUPPLY THE SAUDIS WITH AN ADVANCED FIGHTER--OF THEIR CHOICE--SUBJECT TO CONGRESSIONAL APPROVAL.

--ON MAY 15, 1977, THE SAUDIS MADE A FORMAL REQUEST FOR 60 F-15s .

--IN AUGUST 1977 THE DOD ADVISED SECRETARY VANCE THAT THE SALE OF 60 F-15s WAS CONSIDERED APPROPRIATE.

BASIS FOR SELECTION OF THE F-15

IN EACH DOD SURVEY OR ANALYSIS OF THE SAUDI'S DEFENSE NEEDS, THE KEY FACTOR WAS ALWAYS IDENTIFIED AS THE AVAILABILITY OF TRAINED OR TRAINABLE SAUDI MANPOWER. AS A CONSEQUENCE, THE AIR DEFENSE OPTIONS CONSIDERED--SUCH AS ADDITIONAL IMPROVED HAWK BATTERIES, ADDITIONAL GROUND RADARS, ADDITIONAL COMMAND CONTROL, OR ADDITIONAL F-5 SQUADRONS--WERE DETERMINED TO BE LESS DESIRABLE THAN THE OPTION OF 60 F-15s BECAUSE THEY ALL REQUIRED GREATER NUMBERS OF TRAINED PERSONNEL FOR OPERATION AND SUPPORT. FROM STRICTLY A MANPOWER STANDPOINT, HOWEVER, WE QUESTION WHETHER THE SELECTION OF THE F-15 IN LIEU OF ADDITIONAL QUANTITIES OF F-5s WAS SUPPORTABLE.

THE SELECTION OF THE ADVANCED AIRCRAFT WAS BASED ON THE SAUDI'S CRITERIA WHICH WERE:

- AN ALL-WEATHER, LOOK DOWN, SHOOT DOWN RADAR AND MISSILE,
- TWO ENGINES, AND
- A SINGLE CREW MEMBER.

THE F-15 OR THE F-18 ARE THE ONLY AVAILABLE U.S. AIRCRAFT THAT COULD MEET THIS CRITERIA. HOWEVER, THE SAUDIS DID NOT CONSIDER THE F-18 AS A VIABLE OPTION DUE TO UNCERTAINTIES WITH RESPECT TO ITS PRODUCTION.

THE BASIC FUNCTIONS OF AIR DEFENSE ARE DETECTION, IDENTIFICATION, INTERCEPTION, AND DESTRUCTION OF INTRUDER FORCES. THESE FUNCTIONS ARE PERFORMED BY A MIX OF EQUIPMENT INCLUDING GROUND RADARS, COMMUNICATIONS FOR COMMAND AND CONTROL, MISSILES AND INTERCEPTOR AIRCRAFT. THE MIX OF EQUIPMENT CAN BE VARIED LEADING TO A RANGE OF AIR DEFENSE OPTIONS WHICH WOULD CONSIDER VARIOUS NUMBERS AND TYPES OF GROUND SYSTEMS MIXED WITH DIFFERENT QUANTITIES AND TYPES OF AIRCRAFT (E.G. F-5, F-15, F-16, ETC). THE EFFECTIVENESS OF VARIOUS MIXES CAN BE ESTIMATED-- THUS ALLOWING THE SELECTION OF AN OPTIMUM MIX OF AIR DEFENSE FORCES. ALTHOUGH GROUND RADAR SYSTEMS AND COMMAND AND CONTROL SYSTEMS WERE CONSIDERED BY DOD TO BE A PRIORITY NEED ALONG WITH NEW AIRCRAFT, THE SAUDIS HAVE NOT MADE A DECISION TO ACQUIRE THEM. IF THEY HAD DECIDED TO ACQUIRE GROUND SYSTEMS THE AIRCRAFT FOR THE OPTIMUM AIR DEFENSE FORCE MIX MAY NOT HAVE BEEN THE F-15. THIS OPTION, HOWEVER, WAS NOT STUDIED IN ANY DETAIL.

OF THE THREE AVAILABLE U.S. AIRCRAFT, THE F-15 HAS THE GREATEST OVERALL AIR DEFENSE CAPABILITY. HOWEVER, THE F-15, ACTING AUTONOMOUSLY, WITHOUT GROUND RADARS AND EFFECTIVE COMMAND AND CONTROL SYSTEMS, CAN ONLY PROVIDE A VERY LIMITED AIR DEFENSE CAPABILITY; AND AS THE DOD ANALYSIS POINTS OUT, WILL ONLY HELP OVERCOME SOME EXISTING DEFICIENCIES IN THE SAUDI'S RADAR COVERAGE. THE DURATION AND COVERAGE CAPABILITY OF THE F-15 ARE LIMITED BY ITS FUEL LOAD AND THE CAPABILITY OF ITS RADAR. WHETHER OR NOT THE F-15 IS ADEQUATE TO OVERCOME EXISTING RADAR COVERAGE DEFICIENCIES IS JUDGEMENTAL.

AS YOU KNOW, THERE ARE A NUMBER OF NON-MILITARY FACTORS THAT IMPACT ON THIS DECISION. I WOULD LIKE TO MENTION A FEW THAT HAVE BECOME EVIDENT TO US DURING OUR REVIEW:

--THE SAUDI ARABIAN GOVERNMENT HAS ASSOCIATED ITS CONTINUED RESTRAINT WITH RESPECT TO OIL AVAILABILITY AND STABLE PRICES, WITH A FAVORABLE DECISION ON THE F-15 SALE. AN UNFAVORABLE DECISION COULD HAVE SERIOUS ECONOMIC EFFECTS ON THE UNITED STATES.

- THE SAUDI ARABIAN GOVERNMENT SUPPORTS THE U.S. DOLLAR BY ITS DOLLAR HOLDINGS AND BY USING THE DOLLAR FOR OIL TRADE. IT IS SAID THAT SAUDI ARABIA HOLDS SOME 85 PERCENT OF THEIR FOREIGN EXCHANGE ASSETS IN DOLLARS, AND INVESTS ABOUT ONE-THIRD OF THAT SUM (ESTIMATED \$60 BILLION) IN U.S. GOVERNMENT SECURITIES. WITHDRAWAL OF SUPPORT COULD ADVERSELY IMPACT THE VALUE OF THE DOLLAR.
- THE SAUDIS COULD BUY AIRCRAFT ELSEWHERE, PROBABLY FROM FRANCE. IF THEY DO, THE U.S. WOULD BE LESS ABLE TO INFLUENCE THE MIDDLE EAST MILITARY BALANCE.
- THE SAUDIS COULD USE OTHER FOREIGN COUNTRIES FOR PROFESSIONAL SUPPORT FOR THEIR NATIONAL MODERNIZATION PROGRAM CURRENTLY USING U.S. COMPANIES.
- THE U.S. TREASURY WILL RECOUP ABOUT \$95 MILLION, THE SHARE OF RESEARCH AND DEVELOPMENT COSTS, FROM THE SALE OF 60 F-15s TO THE SAUDIS. THE U.S. AIR FORCE COULD REALIZE AN ADDITIONAL SUBSTANTIAL SAVINGS BASED ON THE ECONOMY OF THE LARGER PRODUCTION QUANTITY OF 60 MORE F-15s FOR SAUDI ARABIA.

THIS CONCLUDES MY PREPARED STATEMENT. I WILL BE HAPPY TO ANSWER ANY QUESTIONS AT THIS TIME.