

TOP SECRET

SENSITIVE

Approved For Release 2002/08/21 : CIA-RDP73B00296R000300130002-3

PPB MI-1185

WHEN WITH ATTACHMENTS

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

75-198019/71
copy 2 of 6

July 21, 1971

Honorable Stuart E. Symington
United States Senate

Dear Senator Symington:

This is in response to your letter of May 27, 1971, concerning Department of Defense expenditures in support of our operations in Laos.

In cases where amounts reported transferred to other agencies differ from the related expenses shown by those agencies in reports given separately to you, the difference is attributable to differing definitions and reprogramming in amounts small enough not to require interagency coordination.

Attached is your list of questions with our answers.

Sincerely,

/s/
Mel Laird

Enclosures - 16

OSD HAS NO OBJECTION
TO DECLASSIFICATION
AND RELEASE.

COPY 2 OF 5 COPIES.

TOP SECRET

SENSITIVE

WHEN WITH ATTACHMENTS

D/B84/71
2992

Sec Def Cont Nr. X-

SECRET

1. Question: What is the total cost of military assistance to Laos expected to be in FY 1971? What is the projected cost for FY 1972?

Answer: The estimated cost of military assistance to Laos included in the President's FY 1972 budget was \$117.3 million and \$125.8 million. Our latest comparable estimates for these amounts are \$148 million and \$138.5 million in FY 1971/72.

As you know, there is a so called "program" for Laos that exceeds the amounts included in the budget. The current fiscal year 1972 program for Laos totals \$221.2 million. The program is a management tool utilized by OSD and intermediate commanders to establish a constraint on the total resources to be provided to a country as contrasted to the amounts included in a specific year's appropriation request to the Congress. The program figure will exceed the budget figure for each fiscal year because the program level can be partly supported by stocks that will not require replacement, including excess or long supply stocks.

If such stocks are used, they count against the program but not against the budget because they were bought in prior years for U.S. force requirements and are no longer needed for that purpose.

The program, in other words, gives OSD a more precise control because (1) through the program we can examine and approve the item content of our assistance and (2) it establishes a total resource constraint. The budget amounts are the funds needed in the stated fiscal year to procure equipment specifically for the Lao Government and for operation and maintenance support for local forces in Laos.

SECRET

2. Question: What is the cost of maintaining the organization headed by the Deputy Chief, Joint U.S. Military Advisory Group, Thailand (DEPJUSMAGTHAI) which supports military assistance activities in Laos?

Answer: (UNCLASSIFIED) The estimated annual operating cost to maintain the Deputy Chief, Joint U.S. Military Advisory Group, Thailand (which is funded in the appropriation, O&M, Navy) is as follows:

	(Dollars in Thousands)		
	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>
O&M, Navy	1,566	1,512	1,530

This amount includes funds for Project 404, an in-country augmentation of the attache office budgeted within the DEPCJUSMAGTHAI Organization.

SECRET

3. Question: What are the comprehensive costs, direct and indirect, including personnel, facilities, aircraft and ordnance, of U.S. air activities, for all services, in and over Laos for FY 1971 and FY 1972? What are the average per sortie costs for the operation of various types of U.S. aircraft in Laos?

Answer: The following table gives estimated tactical sortie costs for aircraft used over Laos.

Air Force		Marines		Navy	
Type	\$/Sortie	Type	\$/Sortie	Type	\$/Sortie
A-1	\$6,100	A-4	\$7,700	A-4	\$7,700
AC-119	21,100	A-6	7,700	A-6	7,700
AC-130	25,300	F-4	11,400	A-7	7,700
F-100	4,600			F-4	11,400
F-105	9,000			F-8	7,700
F-4	11,400				
B-57	22,500				
B-52	33,000				

The ordnance carried by these aircraft represents about 80 percent of the sortie cost the remainder is the cost of personnel, operations, and maintenance. These tactical sorties represent approximately 60 percent of the 150,000 sorties flown over Laos in the first ten months of FY 1971. The remaining 40 percent of the sorties are largely USAF supporting aircraft, the costs of which are more accurately reflected by yearly operations and maintenance, rather than sortie, costs. In the table below are given the numbers and per year costs of squadrons which can be considered supporting the Laos effort.

Type	Numbers of Squadrons	Total Cost per Squadron (\$ Million)
EC-121	1	26.0
UC-123/C-123	1	9.0
RF-4	1	19.3
O-2/OV-10	1	10.7
HH-53	1	6.8
HC-130	1	7.0

The above costs for the supporting aircraft are total, not incremental, costs and will be only slightly reduced when the units are returned to CONUS, since normal operational and training flights will continue at about the same annual rate.

SECRET

SECRET

3. Answer: (continued)

An estimate of the comprehensive costs for U.S. air activities over Laos includes installation costs, tactical sortie costs, and costs for the supporting squadrons. During FY 71 the Air Force maintained five bases in Thailand which can be considered supporting the Laos air effort. Total cost for these five bases is approximately \$100 million in FY 71. Based on numbers and types of supporting aircraft, their costs for sorties over Laos are \$78.8 million in FY 71.

Costs for the tactical sorties, by Service, during the first 10 months of FY 71 are shown below:

<u>Service</u>	<u>(\$ Millions) Costs</u>
Air Force	836.7
Navy	193.8
Marine Corps	<u>30.9</u>
Total	1061.4

Costs for FY 72 will depend on the sortie rates which will be established and the U.S. redeployment and phasedown in Southeast Asia, and cannot be determined at this time.

4. Question: What is the cumulative cost of the facilities and equipment now operated by Task Force Alpha? What are the personnel and operating costs of Task Force Alpha? For FY 1971? What is estimated for FY 1972?

Answer: (UNCLASSIFIED) Through FY 1971, the cumulative military construction program cost of the facilities at Task Force Alpha is \$3.7 million and the cumulative investment cost of the equipment is \$13.5 million. The FY 1971 personnel and operating cost of Task Force Alpha is approximately \$3.3 million and \$4.5 million respectively. It is estimated that the FY 1972 personnel cost will be \$2.5 million and the other operating cost will be \$2.9 million.

- 5a. Question: What is the current fiscal year cost of maintaining the U.S. Army and Air Force Attache organizations in Laos, including pay, allowance, housing, local personnel costs, supplies, equipment, transportation, communications and office space? What is the estimate of FY 1972 costs?

Answer: The current fiscal year cost and the estimate of FY 1972 costs of maintaining the U.S. Army and Air Force Attache organizations in Laos is \$779,500 for FY 1971 and \$765,800 for FY 1972. The following provides the details of these costs:

	(\$ in Thousands)	
	Actual FY 1971	Estimate FY 1972
Military Pay and Allowance	267.9	289.0
Confidential Military Emergency and Extraordinary Fund Expense	55.9	26.1
Leased Family Housing	98.4	103.3
Local Civilian Personnel	2.9	3.1
Temporary Duty Travel	12.7	13.0
Transportation	-	-
Communications	.1	.1
Equipment Maintenance	7.0	8.0
Other Purchased Services	8.1	7.7
Assigned Aircraft, Flying Hour Cost	114.0	106.0
Aircraft petroleum, oil and lubricants	20.7	20.7
Supplies	3.1	3.6
Equipment	-	1.1
Miscellaneous	8.0	8.0
Reimbursable Expenses Paid to U.S. Department of State for Administrative Support by the Defense Intelligence Agency	167.7	176.1
Procurement Costs of 4 Sedans and 1 Station Wagon	13.0	-
Total	779.5	765.8

5b. Question: How much is included in the U.S. Army and Air Force Attache organizations in Laos associated with the American Forward Air Controllers in Laos?

Answer: There are no funds included in the U.S. Army and Air Force Attache organization in Laos for support of the American Forward Air Controllers in Laos. Funds for their support are included in DEPJUSMAGTHAI. (UNCLASSIFIED)

CONFIDENTIAL

6. Question: What Defense Department related or financed activities are now being conducted or are contemplated in Laos through or under the auspices of the AID program? What is the cost of these activities for FY 1971 and what will it be for FY 1972?

Answer: (CONFIDENTIAL)

	<u>DoD Financed</u>	
	(\$ Millions)	
	<u>FY 1971</u>	<u>FY 1972</u>
Requirements Office	2.0	2.0
Subsistence Consumables and Associated Air Transport Costs	8.4	8.4

7. Question: What amount of funds appropriated to the Defense Department have been transferred to other U.S. Government agencies as reimbursement, or for any other purpose, during FY 1971? Identify all transactions of this nature, including amounts of money involved, for the current fiscal year. What transfers or transactions are expected in FY 1972?

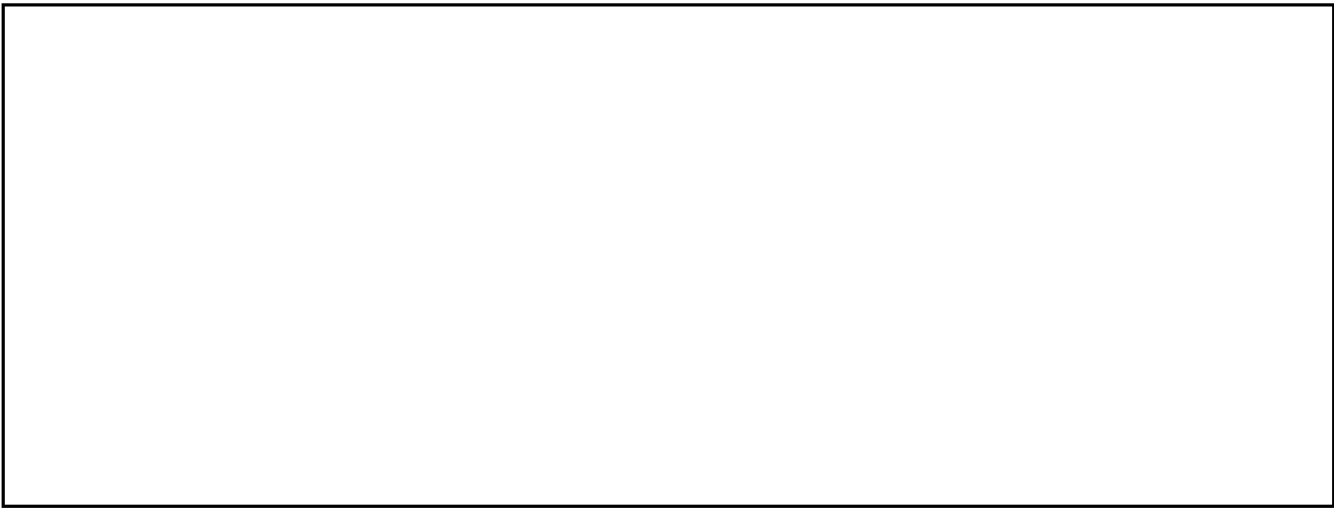
Answer: (TOP SECRET)

Department of the Army

FY 1971
(\$ Millions)

<u>Agency</u>	<u>Appropriation</u>	<u>Amount</u>	<u>Purpose</u>
USAID	MPA	8.1	Subsistence for Laotian military and paramilitary personnel
USAID	OMA	2.0	Operation of Requirements Office, Vientiane

25X1A

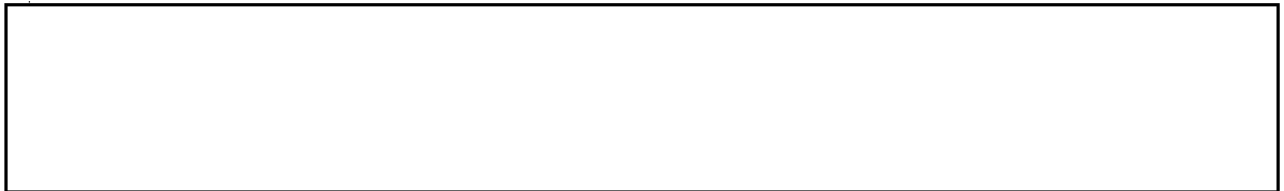


a/ Program terminated during FY 1971.

FY 1972

USAID	MPA	8.1	Subsistence for Laotian military and paramilitary personnel
USAID	OMA	2.0	Operation of Requirements Office, Vientiane

25X1A



TOP SECRET

SENSITIVE

7. Answer: (continued)

Department of the Navy
(\$ Millions)

<u>Agency</u>	<u>Appropriation</u>	<u>Amount</u>	<u>Purpose</u>
		<u>FY 1971</u>	
		None	
		<u>FY 1972</u>	
		None	
		<u>Department of the Air Force</u>	
		<u>FY 1971</u>	
USAID	O&M,AF	.3	Support of USAID Requirements to deliver subsistence to remote locations
		<u>FY 1972</u>	
USAID	O&M,AF	.3	Support of USAID Requirements to deliver subsistence to remote locations

Department of Defense

		<u>FY 1971</u>	
State	O&M,DA	.2	Reimbursable expenses paid to State Department for Administration support of Department of Defense Attached Organization
		<u>FY 1972</u>	
State	O&M,DA	.2	Reimbursable expenses paid to State Department for Administration support of Department of Defense Attache Organization

TOP SECRET

SECRET

9. Question: What is the total amount of reimbursement or other forms of payment or transfer of funds from other U.S. Government agencies to the Defense Department or to the various services during 1971? What are the anticipated totals for 1972?

Answer: (SECRET)

(\$ Millions)

Department of the Army

FY 1971

None

FY 1972

None

Department of the Navy

FY 1971

None

FY 1972

None

Department of the Air Force

FY 1971 - FY 1972

25X1A



SECRET

CONFIDENTIAL

10. Question: What is the value of surplus or excess equipment given to the Royal Lao Armed Forces or to U. S. financed irregular forces, both Lao and Thai, for use in Laos?

Answer: (CONFIDENTIAL) The total value (at acquisition cost) of long supply and excess Department of Defense equipment turned over to the Royal Lao Government is \$26,171,000 through May 1971.

SECRET

11. Question: What is the total value of U.S. financed military equipment and supplies given, transferred, or loaned to the Royal Lao Armed Forces by third countries, including specifically Thailand?

Answer: (SECRET) No U.S. financed military equipment and supplies have been given, transferred, or loaned to the RLCAF by third countries, including Thailand, to our knowledge. The question may allude to ten T-28D aircraft formerly in the Royal Thai Air Force but now in use in the RLAF pilot training program conducted by the United States in Thailand. These aircraft were not transferred by the Thai to the Lao but rather by the Thai to the U. S.

SECRET

12. Question: What was the cost of all types of military or military related training, including travel costs and language training, provided by the United States to Laos in FY 1971? What are the projected costs for FY 1972?

Answer:

	(\$ Millions)	
	<u>FY 1971</u>	<u>FY 1972</u>
Army	2.2	1.9
Air Force	.4	.4

SECRET

13. Question: Describe the types and value of U.S. military aircraft loaned, rented or "bailed" to Air America, Continental Airlines, Lao Air Transport, Royal Air Lao or any other company during FY 1971. What is the total amount of payments or other forms or reimbursement received for the use of these aircraft?

Answer: (SECRET)

- a. The following USAF transport aircraft are "bailed" to Air America to support operations in Laos.
1. One C-130 on temporary "as required" bailment. Normally only one is in operation by Air America at a given time. The cumulative average flyaway cost of the C-130E based on procurement of 387 aircraft through FY 1972 is \$2.1 million. Current flyaway replacement cost of a C-130 is \$3.4 million.
 2. Twelve C-123K aircraft on permanent bailment. The cumulative average flyaway cost of twelve aircraft is \$6.36 million.
 3. Seven C-7A aircraft on permanent bailment. The cumulative average flyaway cost of seven aircraft is \$5.6 million.
- b. USAF pays operating and maintenance costs on the above aircraft and receives reimbursement at standard flying hour rates in return. Total reimbursement received for the above aircraft during calendar year 1970 from other U.S. government agencies was \$6,331,290.07. (Exception: DoD pays for that portion of the C-130 flying time in support of USAID requirements for delivery of rice to remote areas; the total for calendar 1970 was \$321,328.00).
- c. USAF is also reimbursed by other U.S. government agencies for USAF CH-3 and H-53 flying hours flown in support of certain operations in Laos; total during calendar year 1970 was \$662,842.20.

It is anticipated that FY 1971 and FY 1972 requirements will be approximately the same as fiscal year 1970.

14. Question: What was the cost of all construction financed by Defense appropriated funds in Laos in fiscal years 1970 and 1971? What construction is contemplated in FY 1972?

Answer: (UNCLASSIFIED) Prior year Defense appropriated funds were used to finance construction in Laos in FY 1970 and 1971 in the amounts of \$2,367,000 and \$3,809,000 respectively.

There is no construction for Laos in the FY 1972 Military Construction Program to be financed by Defense appropriated funds.

15. Question: What expenditures have been made from Defense Department funds for purposes related to Lao irregular forces or Thai irregular forces?

Answer: Will be provided later.

16. Question: In addition to the information requested above, are there any other categories of Defense Department expenditures in Laos? What amounts are expected to be spent for these activities in FY 1971 and FY 1972?

Answer: (UNCLASSIFIED) There are no other categories of DoD expenditures in Laos that have not been indicated above.