

PTQ5094

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ACTION EUR-01

INFO	LOG-00	INLB-01	AID-00	CIAE-00	SMEC-00	INL-01	OASY-00
	SRFP-00	H-01	TEDE-00	INR-00	SAL-00	L-01	ADS-00
	M-00	NSAE-00	NSCE-00	OMB-01	PA-00	PM-00	PRS-00
	P-00	SCT-00	SP-00	SSO-00	SS-00	TRSE-00	USIE-00
	PMB-00	DRL-09	G-00	/015W			

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O 161856Z JUL 96  
FM AMEMBASSY SARAJEVO  
TO DOD WASHDC IMMEDIATE  
SECSTATE WASHDC IMMEDIATE 3095  
INFO AMEMBASSY ZAGREB  
AMEMBASSY BELGRADE

UNCLAS SARAJEVO 002385

DOD FOR DSAA, MIKE BLATTI; DCMC, LTC GALLAGHER

E.O 12958: N/A  
TAGS: PREL, BK  
SUBJECT: USD 40.4M REQUEST FROM FEDERATION MOD

1. SUMMARY: FEDERATION MINISTER OF DEFENSE SOLJIC AND  
DEPUTY MINISTER OF DEFENSE CENGIC SIGNED A REQUEST FOR  
USD 40.4M ON JULY 16 FOR THE PURPOSE OF FUNDING THE  
MPRI CONTRACT OF THE TRAIN AND EQUIP PROGRAM. EMBASSY  
WILL FAX COPY OF THE ORIGINAL AND SUPPORTING DOCUMENTS  
TO EUR/TMS ASAP. TEXT OF LETTER IS PROVIDED IN THIS  
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MESSAGE. END SUMMARY.

2. AT APPROXIMATELY 12:00 NOON ON JULY 16, 1996, FEDERATION MINISTER OF DEFENSE VLADIMIR SOLJIC AND DEPUTY DEFENSE MINISTER HASAN CENGIC SIGNED A LETTER TO AMBASSADOR PARDEW REQUESTING USD 40 MILLION FROM THE BOSNIAN FEDERATION DEFENSE FUND ACCOUNT FOR THE PURPOSE OF FUNDING THE MPRI CONTRACT AND USD 400,000 FROM THE ACCOUNT FOR THE PURPOSE OF DCMC CONTRACT ADMINISTRATION SUPPORT SERVICES. THE TEXT OF THE LETTER IS AS FOLLOWS:

3. BEGIN QUOTE: AMBASSADOR PARDEW: ON BEHALF OF THE FEDERATION GOVERNMENT WE ARE REQUESTING THAT YOU DISBURSE FUNDS HELD IN THE BOSNIAN FEDERATION DEFENSE FUND ACCOUNT MAINTAINED BY THE UNITED STATES DEPARTMENT OF STATE IN THE UNITED STATES TREASURY. WE REQUEST THAT FORTY MILLION DOLLARS BE TRANSFERRED TO A TRUST ACCOUNT TO COVER THE COST OF THE FEDERATION'S CONTRACT WITH MPRI FOR MILITARY TRAINING AND ADVISORY SERVICES. THE ACCOUNT NUMBER AND OTHER TECHNICAL INFORMATION ABOUT THE ACCOUNT WILL BE PROVIDED BY THE FEDERATION AS SOON AS THE ACCOUNT IS ESTABLISHED. IN THE EVENT THAT THE FULL FORTY MILLION DOLLARS IS NOT REQUIRED, IT IS OUR UNDERSTANDING THAT THE REMAINING FUNDS WILL BE RETURNED TO THE BOSNIAN FEDERATION DEFENSE FUND ACCOUNT.

4. MPRI HAS SELECTED AFTER A COMPETITIVE BIDDING PROCESS TO PROVIDE THE TRAINING AND ADVISORY SERVICES ENUMERATED IN THE ATTACHED DOCUMENT. THE FUNDS WE ARE  
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REQUESTING WILL ALSO ALLOW MPRI TO PURCHASE TRAINING MATERIEL AND DOCUMENTATION, SUCH AS SIMULATION DEVICES AND TRAINING MANUALS, AND TO PROVIDE FOR SUPPORT SERVICES AND EQUIPMENT, INCLUDING COMPUTERS, FOOD, MEDICAL SERVICES, TRANSPORTATION, ETC. THE FEDERATION'S CONTRACT WITH MPRI IS AVAILABLE FOR REVIEW BY THE DONOR(S) IN YOUR OFFICE.

5. THE FEDERATION GOVERNMENT ALSO REQUESTS THAT YOU TRANSFER, UPON APPROVAL OF A LETTER OF OFFER AND

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ACCEPTANCE FOR DCMC SERVICES TO BE RENDERED TO THE FEDERATION, FOUR HUNDRED THOUSAND DOLLARS FROM THE BOSNIAN FEDERATION DEFENSE FUND ACCOUNT TO THE FOREIGN MILITARY SALES TRUST FUND AT THE DEFENSE FINANCE AND ACCOUNTING SERVICE. THESE FUNDS WILL PERMIT THE DEFENSE CONTRACT MANAGEMENT COMMAND TO PERFORM CONTRACT ADMINISTRATION SERVICES IN SUPPORT OF THE CONTRACT WITH MPRI. TECHNICAL INFORMATION ABOUT THE ACCOUNT WILL BE PROVIDED BY THE DEFENSE SECURITY ASSISTANCE AGENCY. DEFENSE CONTRACT MANAGEMENT COMMAND WAS CHOSEN TO PROVIDE THESE SERVICES BECAUSE OF THEIR COMPREHENSIVE AND EXTENSIVE WORLD WIDE EXPERIENCE WITH CONTRACT ADMINISTRATION. THEY WILL PROVIDE A VARIETY OF CONTRACT ADMINISTRATION SERVICES, INCLUDING QUALITY ASSURANCE SURVEILLANCE AND REVIEW AND AUDIT OF INVOICES. SIGNED: MINISTER, VLADIMIR SOLJIC; DEPUTY MINISTER, HASAN CENGIC. ATTACHMENT: AS STATED. END QUOTE.

6. ATTACHMENTS AND OTHER SUPPORTING DOCUMENTS,  
INCLUDING SIGNATURE AUTHORIZATION AND SIGNATURE

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SAMPLES, AND A LETTER OF REQUEST FOR DCMC SERVICES,  
WILL BE FAXED TO EUR/TMS ASAP.

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