



Department of State

TELEGRAM

APPROVED FOR
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NC 10347

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ORIGIN AID-20

INFO OCT-01 EA-06 EB-07 IGA-01 SS-15 SP-02 L-02

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CIA [redacted] (DRAFT)

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FM SECSTATE WASHDC
TO AMEMBASSY PHNOM PENH PRIORITY
AMEMBASSY BANGKOK PRIORITY
INFO AMEMBASSY SAIGON PRIORITY

~~C O N F I D E N T I A L~~ STATE 051229

AIDAC

E.O. 11652: GDS

TAGS: PBOR, VS, CB
IN TRANSPORT SERVICES IN SUPPORT OF THE U.S.
SUBJECT: AIR TRANSPORT SERVICES IN SUPPORT OF THE U.S.
MISSION TO CAMBODIA

FOR AMBASSADORS FROM MURPHY

REF : STATE 041251

1. AMBASSADOR MARTIN HAS INFORMED US THAT UPON EXPIRATION OF THE PRESENT AIR AMERICA CONTRACT ON JUNE 30, 1975, THE GVN DOES NOT INTEND TO PERMIT ANY FOREIGN AIR CARRIER TO ENTER INTO CONTRACTS FOR THE PROVISION OF (A) AIR TRANSPORTATION SERVICES WITHIN VIET-NAM OR (B) AIR TRANSPORTATION SERVICES ELSEWHERE WHICH WOULD BE BASED

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IN VIET-NAM. THE GVN STATES THAT THE ONLY EXCEPTION TO THIS POLICY WILL BE CONTINENTAL AIR SERVICES INC. (CASI), WHICH HAS ALREADY BEEN APPROVED TO FLY WITHIN VIET-NAM AND WHICH HAS A JOINT VENTURE ARRANGEMENT WITH AIR VIET-NAM.

2. UNDER THESE CIRCUMSTANCES, IMPLEMENTATION OF PROPOSED COMPETITIVE BID PROCEDURES FOR CAMBODIA OUTLINED REFTEL NOW INFEASIBLE IN VIEW OF 1(B) ABOVE. IF VIET-NAM IS TO

REMAIN FLIGHT BASE FOR CAMBODIA OPERATIONS IT NOW WOULD BE NECESSARY TO UNDERTAKE DIRECTED SOURCE PROCUREMENT FOR CAMBODIA OPERATIONS WITH AIR VIET-NAM/CASI, AN ALTERNATIVE WHICH WOULD BE COMPLETELY UNWORKABLE. WE DOUBT THAT GKR WOULD AGREE TO AIR VIET-NAM HANDLING THIS CONTRACT. MOREOVER, INTERESTED BIDDERS AND OTHER CONCERNED PARTIES WOULD BE BOUND TO QUESTION SOLE SOURCE AWARD. INCIDENTALLY, SIX AIR TRANSPORT COMPANIES HAVE ALREADY INDICATED INTEREST, INCLUDING CASI AND BIRD AIR, IN CAMBODIA CONTRACT IN RESPONSE TO RECENTLY PUBLISHED COMMERCE BUSINESS DAILY NOTICE.

3. UNDER THE CIRCUMSTANCES, AN OPTION THAT WOULD APPEAR PREFERABLE WOULD BE TO SEEK AN ALTERNATIVE FLIGHT BASE FOR CAMBODIA OPERATIONS IN THAILAND, THUS AVOIDING THE AIR VIET-NAM/CASI SOLE SOURCE ISSUE. I WOULD APPRECIATE YOUR ASSESSMENT OF THIS OPTION AFTER CONSULTATION WITH EMBASSY/BANGKOK. IMPORTANT CONSIDERATIONS APPEAR TO BE: (A) FEASIBILITY OF LOGISTICS OF THAILAND TRANSSHIPMENT OF COMMODITIES VICE SAIGON AND (B) POLITICAL POSITION OF RTG REGARDING THAILAND BASE SUPPORT.

4. WOULD APPRECIATE YOUR REACTION AS SOON AS POSSIBLE DUE TO CRITICAL TIME FACTORS INVOLVED. INGERSOLL

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