

INCOMING TELEGRAM *Department of State*

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Action

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Info

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FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC A47
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BACKGROUND USE ONLY

SUBJ: EXPANDED WAPI PROGRAM

REF: DEPTTEL 251

LIMITED DISTRIBUTION

JOINT EMBASSY/USAID MESSAGE

Cable Set
LMDIS -
Routing

CS/DF
IF
DDI
D/OCI
D/ONE
DDP

1. WE AWARE THAT EXPANDED WAPI PROJECT LIKE MANY OTHER PROJECTS COMPOUNDS PROBLEM OF POTENTIAL SHORTAGE OF L/C GENERATION. USAID CURRENTLY CONDUCTING FURTHER REVIEW THIS OVERALL L/C PROBLEM WITH VIEW TOWARD RECOMMENDATIONS AND ANALYSIS OF INFLATIONARY IMPACT TOTAL L/C EXPENDITURES. GIVEN HIGH PRIORITY WE

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AND GENERAL PHASOUK ATTACH WAPI PROGRAM AND NEED FOR EARLY APPROVAL TO TAKE ADVANTAGE OF PRESENT MOMENTUM, WE DO NOT BELIEVE APPROVAL SHOULD BE DELAYED PENDING RESOLUTION OVERALL L/C PROBLEMS OF WHICH IT ONLY SONSTITUTES SMALL PART. 25X1A

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2. WE BELIEVE POSSIBILITY EXISTS FOR SUBSTANTIAL SHIFT TO [] L/C COSTS FOR WAPI PROJECT IN RETURN FOR WHICH USAID WOULD MEET EQUIVALENT CAS DOLLAR COST. PRECISE EXTENT TO WHICH THIS POSSIBLE DEPENDENT ON DETAILED REVIEW NOW BEING UNDERTAKEN OF DOLLAR COST ELEMENTS [] PROGRAMS IN WAPI AND ELSEWHERE IN LAOS. SHIFT OF L/C TO [] WILL NOT BE ENTIRELY ADDITIVE TO PRESENT [] L/C PROPOSED FOR WAPI SINCE FURTHER REVIEW OF PROJECTED L/C REQUIREMENTS FOR BARRACKS IN WAPI PROJECT INDICATES THAT INITIAL COST ESTIMATES OVERSTATED PROPOSED USAID INPUTS TO WAPI PROGRAM. BOTH DOLLAR AND L/C ESTIMATES A-86 WERE CAREFULLY REVIEWED AND

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-2- 447, NOVEMBER 3, FROM: VIENTIANE

CONSIDERABLY SCALED DOWN PRIOR TO SUBMISSION AND WE BELIEVE ESTIMATES REASONABLE AND FRUGAL IN TERMS OF DATA AVAILABLE IN ADVANCE OF INITIAL OPERATIONS WITHIN AREA ITSELF. CONTINUED REVIEW WILL BE MADE WITH EYE TOWARD MINIMIZING EXPENSES AS PROJECT PROCEEDS.

3. FULL IMPLEMENTATION WAPI PROJECTS REQUIRES RECRUITMENT TWO

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WELL-DRILLERS FILL LONG-STANDING VACANCIES. AVAILABILITY OF DOMESTIC VILLAGE SUPPORT AND CARRYING ON OTHER PROGRAMS. SINCE AID/W APPARENTLY UNABLE RECRUIT DIRECTLY, SUGGEST AID/W CONSIDER CONTRACT WITH U.S. WELL DRILLING FIRM TO PROVIDE SERVICES TWO WELL DRILLERS.

4. DOD CORRECT IN ASSUMING PROPOSED EXPANSION REQUIRES NO ADDITIONAL MAP RESOURCES ASIDE FROM THOSE ALREADY PROGRAMMED.

5. MISSION FOR PRESENT WILL RESTRICT UTILIZATION OF RESOURCES TO THOSE ALREADY ON HAND BUT URGENTLY REQUESTS RAPID APPROVAL ADDITIONAL FUNDS IN ORDER ALLOW PROGRAM PROCEED WITH PROPER PHASING AND COORDINATION.

SULLIVAN
BT