

**Transmittal No. 00-67****Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act****Annex  
Item No. vi****(vi) Sensitivity of Technology:**

**1. The M88A2 recovery vehicles includes the following classified or sensitive components:**

**a. AVDS-1790-8CR Engine Propulsion System - an unique modification to the standard piston engine family found in the M60 series and the base M88A1. Manufacturing processes associated with the production of turbochargers, fuel injection system, and cylinders are proprietary, and therefore, commercially competition sensitive.**

**b. Hydraulic System - use of commercially available hydraulic components is not entirely unique in the armored vehicle world. None of the subcomponents of the system are classified. Manufacturing processes associated with winches, hydraulic motors, control valves, and the like are proprietary and therefore, commercially competition sensitive.**

**2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.**

**3. A determination has been made that Egypt can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.**

[FR Doc. 00-23987 Filed 9-18-00; 8:45 am]  
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**DEPARTMENT OF DEFENSE****Office of the Secretary**

[Transmittal No. 00-66]

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated 21 July 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. J. Hurd, DSCA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 00-66 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 13, 2000.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

BILLING CODE 5001-10-M



## DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

**6 SEP 2000****In reply refer to:  
I-00/008885**

**Honorable J. Dennis Hastert  
Speaker of the House of  
Representatives  
Washington, D.C. 20515-6501**

**Dear Mr. Speaker:**

**Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 00-66, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Saudi Arabia for defense articles and services estimated to cost \$416 million. Soon after this letter is delivered to your office, we plan to notify the news media.**

**Sincerely,**

A handwritten signature in black ink, appearing to read "Tome Walters, Jr.", written in a cursive style.

**TOME H. WALTERS, JR.  
LIEUTENANT GENERAL, USAF  
DIRECTOR**

**Attachments**

**Same ltr to: House Committee on International Relations  
Senate Committee on Appropriations  
Senate Committee on Foreign Relations  
House Committee on National Security  
Senate Committee on Armed Services  
House Committee on Appropriations**

**Transmittal No. 00-66****Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act**

- (i) **Prospective Purchaser:** Saudi Arabia
- (ii) **Total Estimated Value:**
- |                          |                       |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$ 327 million        |
| Other                    | <u>\$ 89 million</u>  |
| <b>TOTAL</b>             | <b>\$ 416 million</b> |
- (iii) **Description of Articles or Services Offered:** Continuation of the U.S. supported effort to modernize Saudi Arabian National Guard (SANG) to include 1,827 TOW 2A missiles; 27 lot acceptance missiles; 104 AN/VRC-90, 45 AN/VRC-92, and 59 AN/PRC-119 advanced tactical communication systems; 21 secure remote sets; five very high frequency RT-1702E receiver transmitter modules; and 132 various Light Armored Vehicles. Also to be included: test and support equipment, adapters, radio, kits, vehicular intercom system, spare and repair parts, publications and technical documentation, personnel training, Field Service Representatives, contractor engineering and technical assistance, and other related elements of logistics support.
- (iv) **Military Department:** Army (ZAC, Amendment 30)
- (v) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** none
- (vi) **Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:** See Annex attached
- (vii) **Date Report Delivered to Congress:** 6 SEP 2000

\* as defined in Section 47(6) of the Arms Export Control Act.

## **POLICY JUSTIFICATION**

### **Saudi Arabia - Continued Modernization of the Saudi Arabian National Guard**

The Government of Saudi Arabia has requested a possible sale for the continuation of the U.S. supported effort to modernize Saudi Arabian National Guard (SANG) to include 1,827 TOW 2A missiles; 27 lot acceptance missiles; 104 AN/VRC-90, 45 AN/VRC-92, and 59 AN/PRC-119 advanced tactical communication systems; 21 secure remote sets; five very high frequency RT-1702E receiver transmitter modules; and 132 various Light Armored Vehicles. Also to be included: test and support equipment, adapters, radio, kits, vehicular intercom system, spare and repair parts, publications and technical documentation, personnel training, Field Service Representatives, contractor engineering and technical assistance, and other related elements of logistics support. The estimated cost is \$416 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East.

Saudi Arabia will use these TOW 2A missiles to augment their current TOW missile inventory as well as use them with the currently fielded missile launchers thereby developing an surface-to-surface anti-armor defense capability. The proposed sale will provide the SANG with the modern command control communications needed to provide security throughout the region. It is consistent with the National Command Authority's intent for stability in the CENTCOM Area of Operation. The radios will modernize equipment and provide the critical VHF and HF links necessary for a large fast moving force and integration with the SINCGAR radios SANG already has fielded in their Light Armored Vehicle and Light Infantry Brigades. The RT-170E receiver transmitter modules will be utilized as direct exchange components to maintain fleet operational readiness.

The principal contractors will be Diesel Division, General Motors of London, Ontario and Raytheon Corporation of Tucson, Arizona. There are no offset agreements proposed in connection with this potential sale.

Contractor representatives representing varying technical skills and disciplines will be required to provide in-country support for an extended period of time. The specific requirements for this support will be definitized during program definition between representatives of the United States Government and the purchaser.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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Item No. vi****(vi) Sensitivity of Technology:**

1. The TOW 2 weapon system including the TOW 2A missiles and documentation are Unclassified. Sensitive technology is contained within the missile system software programs. Some performance characteristics and system capabilities which could be derived from the use of the equipment are classified Secret.

2. The hardware is also considered sensitive and knowledge of the modulation frequency and infrared wavelengths could be useful in developing countermeasures. The highest level of classified material which could be disclosed through reverse engineering or testing of the TOW missile is Secret.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware in this proposed sale, the information could be used to develop countermeasures which might reduce weapon system effectiveness or be used in the development of a system with similar or advance capabilities.

4. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification. Moreover, the benefits to be derived from this proposed sale, as outlined in the Policy Justification, outweigh the potential damage that could result if the sensitive technology were revealed to unauthorized persons.

[FR Doc. 00-23988 Filed 9-18-00; 8:45 am]

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**DEPARTMENT OF DEFENSE**

Office of the Secretary

[Transmittal No. 00-64]

**36(b)(1) Arms Sales Notification**

AGENCY: Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated 21 July 1996.

**FOR FURTHER INFORMATION CONTACT:** Ms. J. Hurd, DSCA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 00-64 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: September 13, 2000.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

BILLING CODE 5001-10-M