

DEPARTMENT OF DEFENSE**Office of the Secretary****[Transmittal Nos. 08–05]****36(b)(1) Arms Sales Notification****AGENCY:** Defense Security Cooperation Agency, Department of Defense.**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. B. English, DSCA/DBO/CFM, (703) 601–3740.

The following is a copy of a letter to the Speaker of the House of

Representatives, Transmittals 08–05 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: October 11, 2007.

L.M. Bynum,

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

BILLING CODE 5001–06–M



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

OCT 04 2007

In reply refer to:
I-07/008489-CFM

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515-6501

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 08-05, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Egypt for defense articles and services estimated to cost \$83 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in cursive script, reading "R. J. Millies", is positioned above the typed name and title.

Richard J. Millies
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Same ltr to:

House

Committee on Foreign Affairs
Committee on Armed Services
Committee on Appropriations

Senate

Committee on Foreign Relations
Committee on Armed Services
Committee on Appropriations

Transmittal No. 08-05

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) **Prospective Purchaser:** Egypt
- (ii) **Total Estimated Value:**
- | | |
|--------------------------|---------------------|
| Major Defense Equipment* | \$58 million |
| Other | <u>\$25 million</u> |
| TOTAL | \$83 million |
- (iii) **Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:** 164 STINGER Block 1 missiles configured for vehicle launch only, 12 fly-to-buy missiles, 25 AVENGERS, trainers, spares, engineering and technical assistance support, sentinel radars, SINCGAR radios, target/range/test support, containers, support equipment, spare and repair parts, publications and technical data, training, U. S. Government Quality Assurance Teams' services and other related elements of logistics support.
- (iv) **Military Department:** Army (UZA)
- (v) **Prior Related Cases, if any:** FMS Case UTD - \$214 million - 23Mar00
- (vi) **Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:** none
- (vii) **Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:** See Annex attached
- (viii) **Date Report Delivered to Congress:** OCT 04 2007

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

POLICY JUSTIFICATION**Egypt – STINGER Block 1 Missiles**

The Government of Egypt has requested a possible sale of 164 STINGER Block 1 missiles configured for vehicle launch only, 12 fly-to-buy missiles, 25 AVENGERS, trainers, spares, engineering and technical assistance support, sentinel radars, SINCGAR radios, target/range/test support, containers, support equipment, spare and repair parts, publications and technical data, training, U. S. Government Quality Assurance Teams' services and other related elements of logistics support. The estimated cost is \$83 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 that has been and continues to be an important force for political stability and economic progress in the Middle East.

Egypt will use the STINGER missiles to upgrade its air defense capability and will have no difficulty absorbing them into its armed forces.

The proposed sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Raytheon Company of Tucson, Arizona. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of three Field Service Representatives for three years to assist the delivery and deployment of the missiles.

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

Transmittal No. 08-05

**Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act**

**Annex
Item No. vii**

(vii) Sensitivity of Technology:

1. The STINGER Block 1 missile (less programmable module) is classified **Confidential**. Associated hardware, software, and documentation that will be provided with this sale are considered sensitive. STINGER training hardware contains operational STINGER seeker hardware and firmware and must be protected by the same levels of controls as the operational hardware. STINGER critical technology is primarily in the area of design and production know-how and not end items.

2. The critical technologies in the STINGER are: microprocessors, magnetic and amorphous metals; optical coating technology; microcircuit technology; semiconductor detectors; printed circuit boards; hybrid microcircuits; preparation, purification, compounding and handling of electronic, electro-optic, and optical materials; cryogenic cooling technology; ultraviolet sensor technology; infrared band sensors; primary and reserve battery; energetic materials formulation technology; energetic materials fabrication and loading technology; and warhead components and systems.

3. 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.