

FMS case JBV-\$2.7B-16Dec92

FMS case ZAA-\$1.3B-8Apr15

(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:* 28 July 2015

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

#### POLICY JUSTIFICATION

*Kingdom of Saudi Arabia (KSA)—Patriot Advanced Capability-3 (PAC-3) Missiles and Support Equipment*

The Kingdom of Saudi Arabia has requested a possible sale of six hundred (600) Patriot Advanced Capability-3 (PAC-3) Cost Reduction Initiative (CRI) Missiles with containers, eight (8) PAC-3 CRI Test Missiles for fly-to-buy. Also included are PAC-3 Telemetry Kits, PAC-3 Guidance Enhanced Missile (GEM) Flight Test Target/Patriot as a Target (PAAT) missiles, Fire Solution Computers, Launcher Modification Kits, PAC-3 Missile Round Trainers, PAC-3 Slings, Patriot Automated Logistics System (PALS) Kits, Shorting Plugs, spare and repair parts, lot validation and range support, support equipment, repair and return, publications and technical documentation, personnel training and training equipment, Quality Assurance Team, U.S. Government and contractor technical and logistics support services, and other related elements of logistics and program support. The estimated total cost is \$5.4 billion.

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

The proposed sale will modernize and replenish Saudi Arabia's current Patriot missile stockpile, which is becoming obsolete and difficult to sustain due to age and limited availability of repair parts. The purchase of the PAC-3 missiles will support current and future defense missions and promote stability within the region. Saudi Arabia, which already has Patriot missiles in its inventory, will have no difficulty absorbing these additional missiles into its armed forces.

The proposed sale will not alter the basic military balance in the region.

The principal contractors will be Lockheed Martin Missiles and Fire Control in Dallas, Texas; and Raytheon Corporation in Tewksbury, Massachusetts. Although offsets are requested, they are unknown at this time and will be determined during negotiations between Saudi Arabia and the contractor.

Implementation of this sale will require approximately thirty (30) U.S. Government and forty (40) contractor representatives to travel to Saudi Arabia for up to sixty (60) months for equipment de-processing, fielding, system checkout, training, and technical logistics support.

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

Transmittal No. 15-43

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

Annex

Item No. vii

(vii) *Sensitivity of Technology:*

1. The Patriot Air Defense System contains hardware components and critical/sensitive technology classified Confidential. The Patriot Advanced Capability-3 (PAC-3) Cost Reduction Initiative (CRI) Missile Four-Pack is classified Confidential, and the improved PAC-3 launcher hardware is Unclassified. The missiles requested represent significant technological advances for the existing Saudi Arabia Patriot system capabilities. With the incorporation of the PAC-3 missile, the Patriot System will continue to hold a significant technology lead over other surface-to-air missile systems in the world.

2. The PAC-3 sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development, and/or manufacturing data related to certain components. The list of components is classified Confidential.

3. Information on system performance capabilities, effectiveness, survivability, PAC-3 Missile seeker capabilities, select software/software documentation and test data are classified up to and including Secret.

4. Loss of this hardware, software, documentation and/or data could permit development of information which may lead to a significant threat to future U.S. military operations. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar advanced capabilities.

5. A determination has been made that Saudi Arabia can provide substantially the same degree of protection for this technology as the U.S. Government. This proposed sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

6. All defense articles and services listed in this transmittal have been authorized for release and export to the Kingdom of Saudi Arabia.

[FR Doc. 2015-20062 Filed 8-13-15; 8:45 am]

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 15-46]

#### 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 July 21, 1996.

#### FOR FURTHER INFORMATION CONTACT:

Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/(703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-46 with attached Policy Justification.

Dated: August 11, 2015.

**Aaron Siegel,**

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

BILLING CODE 5001-06-P



DEFENSE SECURITY COOPERATION AGENCY  
201 12<sup>TH</sup> STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408


The Honorable John A. Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

JUL 29 2015

Dear Mr. 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. 15-46, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Saudi Arabia for defense articles and services estimated to cost \$500 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,

  
J. W. Rixey  
Vice Admiral, USN  
Director

- Enclosures:
- 1. Transmittal
  - 2. Policy Justification
  - 3. Regional Balance (Classified Document Provided Under Separate Cover)

BILLING CODE 5001-06-C

Transmittal No. 15-46  
Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) (U) <i>Prospective Purchaser:</i>	
Kingdom of Saudi Arabia	
(ii) (U) <i>Total Estimated Value:</i>	
Major Defense Equipment *	\$150 million
Other .....	\$350 million
TOTAL .....	\$500 million

- (iii) (U) *Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:*
- (1,000,000) 430/M430A1 40mm High Explosive Dual Purpose (HEDP) Cartridges
  - (60,000) M456A1 105mm High Explosive Anti-Tank Tracer (HEAT-T) Cartridges
  - (60,000) M107 155mm High Explosive (HE) Projectiles

Additional items included are M62 7.62mm 4 Ball/1 Tracer Linked Cartridges, .50 Cal Linked Cartridges (4 Armor Piercing Incendiary (API)/1 Armor Piercing Incendiary Tracer (API-T)), M792 25mm High Explosive Incendiary Tracer (HEI-T) Cartridges, M789 30mm High Explosive Dual Purpose (HEDP) Cartridges, M889A2 81mm High Explosive (HE) Cartridges with M783 Fuzes, 2.75 Inch Rockets with M151 High Explosive (HE) Warhead and Point-Detonating (PD) Fuzes, 105mm High Explosive (HE) M1 Cartridges without Fuzes, M557 Point-Detonating (PD) Fuzes, M4A2 155mm Propellant Charges, M3A1 155mm Propellant Charges, M82 Percussion Primers, M1A2 Bangalore Torpedoes, M18A/M18A1 Claymore Mines, M67 Fragmentation Hand Grenades, and Guided Precision Aerial Delivery System (GPADS).

Also included are spare and repair parts, lot validation, publications and

technical documentation, personnel training/training equipment, Quality Assurance Team, U.S. Government and contractor technical/logistics support services, and other related elements of logistics and program support.

- (iv) (U) *Military Department:* Army (VBQ, Amendment 2)
- (v) (U) *Prior Related Cases, if any:*  
FMS case UKB—\$23.1M—12 Feb 75  
FMS case VES—\$307K—08 Mar 83  
FMS case VJK—\$22.7M—23 Jan 89  
FMS case VMG—\$7.2M—05 Sep 90  
FMS case JAS—\$15.5M—30 Nov 90  
FMS case VTY—\$13.7M—12 Oct 07  
FMS case VCH—\$9.3M—24 Mar 11  
FMS case WAL—\$2.7B—17 Oct 11
- (vi) (U) *Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:*  
None
- (vii) (U) *Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold:*  
None
- (viii) (U) *Date Report Delivered to Congress:* 29 July 2015

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

#### **POLICY JUSTIFICATION**

*(U) Kingdom of Saudi Arabia (KSA)—Ammunition for the Royal Saudi Land Forces (RSLF)*

(U) The Kingdom of Saudi Arabia has requested a possible sale of (1,000,000) 430/M430A1 40mm High Explosive Dual Purpose (HEDP) Cartridges, (60,000) M456A1 105mm High Explosive Anti-Tank Tracer (HEAT-T) Cartridges, and (60,000) M107 155mm High Explosive (HE) Projectiles. Additional items included are M62 7.62mm 4 Ball/1 Tracer Linked Cartridges, .50 Cal Linked Cartridges (4 Armor Piercing Incendiary (API)/1 Armor Piercing Incendiary Tracer (API-T)), M792 25mm High Explosive Incendiary Tracer (HEI-T) Cartridges, M789 30mm High Explosive Dual Purpose (HEDP) Cartridges, M889A2 81mm High Explosive (HE) Cartridges with M783 Fuzes, 2.75 Inch Rockets with M151 High Explosive (HE) Warhead and Point-Detonating (PD) Fuzes, 105mm High Explosive (HE) M1 Cartridges without Fuzes, M557 Point-Detonating (PD) Fuzes, M4A2 155mm Propellant Charges, M3A1 155mm Propellant Charges, M82 Percussion Primers, M1A2 Bangalore Torpedoes, M18A/M18A1 Claymore Mines, M67 Fragmentation Hand Grenades, and Guided Precision Aerial Delivery System (GPADS). Also included are spare and repair parts, lot validation, publications and technical documentation, personnel training/

training equipment, Quality Assurance Team, U.S. Government and contractor technical/logistics support services, and other related elements of logistics and program support. The estimated total cost is \$500 million.

(U) This proposed sale will enhance the foreign policy and national security objectives of the United States by helping to improve the security of a strategic partner which has been, and continues to be, an important force for political stability and economic progress in the Middle East.

(U) The proposed sale will resupply the RSLF with the munitions they need to continue to protect their country's southern border from ongoing attacks by hostile Houthi militia and Al-Qaida in the Arabian Peninsula forces. The KSA will have no difficulty absorbing these items into its inventory.

(U) The proposed sale of this ammunition will not alter the basic military balance in the region.

(U) The principal contractor for GPADS will be Airborne Systems North America in Pennsauken, New Jersey. The remaining items will be procured from a combination of Army stocks and new procurement. The principal contractors for these items are unknown at this time. There are no known offset agreements proposed in connection with this potential sale.

(U) Implementation of this sale will not require the assignment of any additional U.S. Government or contractor representatives to Saudi Arabia. However, travel may be required for new equipment set up, training, and

technical support. The number and duration will be determined during contract negotiations.

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

[FR Doc. 2015-20057 Filed 8-13-15; 8:45 am]

**BILLING CODE 5001-06-P**

## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

**[Transmittal No. 15-30]**

#### **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 July 21, 1996.

#### **FOR FURTHER INFORMATION CONTACT:**

Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/(703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-30 with attached Policy Justification.

Dated: August 11, 2015.

**Aaron Siegel,**

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

**BILLING CODE 5001-06-P**