[Transmittal No. 96–66]

36(b) Notification

AGENCY: Department of Defense, Defense Security Assistance Agency.

ACTION: Notice.

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

FOR FURTHER INFORMATION CONTACT: Mr. A. Urban, DSAA/COMPT/FPD, (703) 604–6575.

The following is a copy of the letter to the Speaker of the House of Representatives, Transmittal 96–66, with attached transmittal and policy justification pages.

Dated: September 12, 1996.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5000–04–M

DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

05 SEP 1996

In reply refer to:
I-02689/96ct

Honorable Newt Gingrich
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. 96-66, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services estimated to cost $303 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Thomas G. Rhame

Thomas G. Rhame
Lieutenant General, USA
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. 96-66

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

(i) Prospective Purchaser: Egypt

(ii) Total Estimated Value:

Major Defense Equipment*	$ 0 million
Other	$ 303 million
TOTAL	$ 303 million

(iii) Description of Articles or Services Offered:
Phase III Product Improvement Program (PIP) for the HAWK missile system ground equipment to include modification kits, kit installation and system integration/checkout, re-manufacture of selected hardware, systems engineering, system software, U.S. Government and contractor engineering and logistics support services, spare and repair parts, publications and technical data, support equipment, personnel training and training equipment, integration of modified equipment with existing air defense systems, and other related elements of logistics support.

(iv) Military Department: Army (UQU)

(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:
None

(vii) Date Report Delivered to Congress: 05 SEP 1996

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

POLICY JUSTIFICATION

Egypt - Modification of HAWK Missile System Ground Equipment

The Government of Egypt has requested the purchase of the Phase III Product Improvement Program (PIP) for the HAWK missile system ground equipment to include modification kits, kit installation and system integration/checkout, re-manufacture of selected hardware, systems engineering, system software, U.S. Government and contractor engineering and logistics support services, spare and repair parts, publications and technical data, support equipment, personnel training and training equipment, integration of modified equipment with existing air defense systems, and other related elements of logistics support. The estimated cost is $303 million.

This 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.

The upgraded HAWK missile system ground equipment will support Egypt's continuing efforts to modernize and enhance the operational capability of its HAWK missile air defense system. The modification of these ground systems will also ensure commonality of logistics support with U.S. forces equipment. Egypt will have no difficulty absorbing these hardware changes into its air defense system.

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

The prime contractor will be the Raytheon Company, Andover, Massachusetts. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Egypt; however, approximately 10 contractor representatives of various technical skills will be required in-country during the delivery, installation, and check-out of the upgraded HAWK missile system ground equipment.

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

[FR Doc. 96–23748 Filed 9–16–96; 8:45 am]
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