DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 06–25]

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/DBO/ADM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 06–25 with attached transmittal and policy justification.

Dated: July 24, 2006.

C.R. Choate,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–06–M

DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

21 JUL 2006

In reply refer to:
I-06/003309

The 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, as amended, we are forwarding herewith Transmittal No. 06-25, 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 $276 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,

JEFFREY B. KOHLER
LIEUTENANT GENERAL, USAF
DIRECTOR

Enclosures:
1. **Transmittal**
2. **Policy Justification**

Same ltr to:

House	Senate
Committee on International Relations	Committee on Foreign Relations
Committee on Armed Services	Committee on Armed Services
Committee on Appropriations	Committee on Appropriations

Transmittal No. 06-25

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: Saudi Arabia

(ii) Total Estimated Value:

Major Defense Equipment*	$ 0 million
Other	$276 million
TOTAL	$276 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: a Foreign Military Sales Order (FMSO) to provide funds for blanket order requisitions FMSO II, under the Cooperative Logistics Supply Support Agreement (CLSSA) for spare parts in support of M1A2 Abrams Tanks, M2 Bradley Fighting Vehicles, High Mobility Multipurpose Wheeled Vehicles (HMMWVs), construction equipment, and support vehicles and equipment in the inventory of the Royal Saudi Land Forces Ordnance Corps.

(iv) Military Department: Army (KYL)

(v) Prior Related Cases, if any:
FMS case UBW - $ 30 million - 29Mar91
FMS case KSB - $ 95 million - 3Oct04
FMS case KRK - $315 million - 29Mar91

(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: none

(viii) Date Report Delivered to Congress: 21 JUL 2006

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

POLICY JUSTIFICATION

Saudi Arabia – Cooperative Logistics Supply Support Arrangement

The Government of Saudi Arabia has requested a possible sale for a Foreign Military Sales Order (FMSO) to provide funds for blanket order requisitions FMSO II, under the Cooperative Logistics Supply Support Agreement (CLSSA) for spare parts in support of M1A2 Abrams Tanks, M2 Bradley Fighting Vehicles, High Mobility Multipurpose Wheeled Vehicles (HMMWVs), construction equipment, and support vehicles and equipment in the inventory of the Royal Saudi Land Forces Ordnance Corps. The estimated cost is $276 million.

The CLSSA Program for M1A2 Abrams Tanks, M2 Bradley Fighting Vehicles, and HMMWVs consists of two cases: a stock level case which establishes equity in the U.S. supply system, and a requisition case which allows direct orders to be placed on U.S. stocks.

We previously notified transmittal number 91-16 to Congress on 22 March 1991 for a FMSO I amendment to increase the capability value of the stock level equity portion of an existing Cooperative Logistics Supply Support Agreement and a FMSO II sale to provide funds for blanket order spare and repair part requisitions in support of major items of equipment of U.S. origin already delivered to and being operated by Saudi Arabia in support of Desert Storm for an estimated value of $461 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.

The uninterrupted supply of spare parts will allow Saudi Arabia to keep its vehicle fleet at the highest state of readiness.

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

Procurement of these items will be from the many contractors providing similar items to the U.S. forces. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Saudi Arabia.

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

[FR Doc. 06–6533 Filed 7–27–06; 8:45 am]
BILLING CODE 5001–06–C