AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

POLICY JUSTIFICATION

Thailand - KNOX Class frigate "USS OUELLET" with Weapons, Ammunition, and Support Services

The Government of Thailand has requested the purchase of the KNOX Class Fast Frigate the "USS OUELLET" with weapons and ammunition to include eight HARPOON missiles, 4,000 rounds of 5"/54 and 20,000 rounds of 20mm PHALANX Close-in-Weapon System (CIWS) ammunition, miscellaneous chaff cartridges, sonobuoys and other related ammunition items, United States shipyard/port support services and post transfer activities relating to the "cold ship" turnover of the "USS OUELLET" from the U.S. Navy, U.S. Government and contractor engineering and logistics personnel support services, publications, repair, overhaul, refurbishment and calibration of all shipboard systems and equipment, publications and technical data/drawings, personnel training and training equipment, spare and repair parts, follow-on maintenance of weapon systems and shipboard equipment, support equipment and other elements of logistics necessary to prepare the frigate for transfer to Thailand in a "Safe to Steam" condition with all systems operational. The estimated cost is $100 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 southeast Asia.

Acquisition of the fast frigate "USS OUELLET" will provide the Royal Thai Navy an anti-surface and anti-submarine capability upgrade to its existing force structure thereby improving its ability to safeguard sea lines of communications as well as territorial and exclusive economic zones. Thailand will have no difficulty absorbing this naval vessel into its armed forces.

The sale of this naval vessel with support will not affect the basic military balance in the region.

New production HARPOON missiles will be procured from the McDonnell-Douglas Missile Systems Company, St. Charles, Missouri. There are no offset agreements proposed in connection with this sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Thailand. A number of U.S. contractor representatives however, of varying skills and technical disciplines, will be required to provide in-country technical support for the ship transfer program.

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

[FR Doc. 96–19446 Filed 8–5–96; 8:45 am]

BILLING CODE 5000–04–C

[Transmittal No. 96–46]

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 a letter to the Speaker of the House of Representatives, Transmittal 96–46, with attached transmittal and policy justification pages.

Dated: August 1, 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

26 JUL 1996

In reply refer to:
I-02634/96

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. 96-46 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services estimated to cost $106 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

Thomas G. Rhame

Thomas G. Rhame
Lieutenant General, USA
Director

Attachments

Separate Cover:
Classified Annex

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. 96-46

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*	$ 56 million
Other	$ 50 million
TOTAL	$106 million

(iii) Description of Articles or Services Offered:
One PERRY class frigate (USS GALLERY-FFG26), weapons and ammunition to include 35 STANDARD SM-1 missiles, 12 MK-46 MOD 5 torpedoes, 50 rounds of 40mm and 4,000 rounds of 20mm PHALANX Close-in-Weapon System (CIWS) ammunition, sonobuoys and other related ammunition items, shipyard/port support services and post transfer activities relating to the "hot ship" transfer of the USS GALLERY from the U.S. Navy, U.S. Government and contractor engineering and logistics personnel support services, TARTAR HARPOON modification kits with containers, repair and calibration services for shipboard equipment, design/construction/upgrade of shipyard maintenance and docking facilities, publications and technical data/drawings, personnel training and training equipment, support equipment, spare and repair parts and other elements of logistics necessary to prepare the USS GALLERY for transfer to Egypt in a "Safe to Steam" condition with all shipboard systems operational.

(iv) Military Department: Navy (GEF, ABO, ABP and ABQ)

(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 under separate cover.

(vii) Date Report Delivered to Congress: 26 JUL 1996

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

POLICY JUSTIFICATION

Egypt - PERRY Class Frigate, Weapons, Ammunition and Support

The Government of Egypt has requested the purchase of one PERRY class frigate (USS GALLERY-FFG26), weapons and ammunition to include 35 STANDARD SM-1 missiles, 12 MK-46 MOD 5 torpedoes, 50 rounds of 40mm and 4,000 rounds of 20mm PHALANX Close-in-Weapon System (CIWS) ammunition, sonobuoys and other related ammunition items, shipyard/port support services and post transfer activities relating to the "hot ship" transfer of the USS GALLERY from the U.S. Navy, U.S. Government and contractor engineering and logistics personnel support services, TARTAR HARPOON modification kits with containers, repair and calibration services for shipboard equipment, design/construction/upgrade of shipyard maintenance and docking facilities, publications and technical data/drawings, personnel training and training equipment, support equipment, spare and repair parts and other elements of logistics necessary to prepare the USS GALLERY for transfer to Egypt in a "Safe to Steam" condition with all shipboard systems operational. The estimated cost is $106 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.

Egypt needs this third outfitted PERRY class frigate to continue its naval modernization program and enhance its Anti-Submarine Warfare (ASW) capability previously started with the U.S. provided KNOX class frigates. This ship program will enable Egypt to continue providing security for the Suez Canal and its shipping lanes in the Mediterranean Sea. Egypt will have no difficulty absorbing this ASW vessel into its armed forces.

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

The principal contractor involved for the MK 46 MOD 5 torpedo will be Alliant Techsystems Incorporated, Keyport, Washington. There are no offset agreements proposed in connection with this sale.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Egypt. Egypt will, however, require approximately six U.S. contractor representatives, of varying skills and technical disciplines, to provide in country technical support for the ship transfer for a period of up to three years.

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

[FR Doc. 96–19947 Filed 8–5–96; 8:45 am]
BILLING CODE 5000–04–C