DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 98–62]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Assistance Agency, DOD.

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 Pub. L. 104–164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSAA/COMPT/RM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 98–62, with attached transmittal and policy justification and sensitivity of technology.

Dated: September 29, 1998.

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

16 SEP 1998

In reply refer to:
I-66729/98

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. 98-62, 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 $203 million. Soon after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

MICHAEL S. DAVISON, JR.
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. 98-62

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*	$ 153 million
Other	$ 50 million
TOTAL	$ 203 million

(iii) Description of Articles or Services Offered: Upgrade of six CH-47C CHINOOK helicopters to the newer CH-47D configuration, spare and repair parts, support equipment, publications and technical data, communications equipment, maintenance, personnel training and training equipment, U.S. Government Quality Assurance Team, contractor representatives, contractor engineering and technical support services, preparation of aircraft for shipment, and other related elements of logistics support.

(iv) Military Department: Army (JBN)

(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 attached.

(vii) Date Report Delivered to Congress: 16 SEP 1998

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

POLICY JUSTIFICATION

Egypt - Upgrade of CH-47C to CH-47D CHINOOK Helicopters

The Government of Egypt has requested a possible upgrade of six CH-47C CHINOOK helicopters to the newer CH-47D configuration, spare and repair parts, support equipment, publications and technical data, communications equipment, maintenance, personnel training and training equipment, U.S. Government Quality Assurance Team, contractor representatives, contractor engineering and technical support services, preparation of aircraft for shipment, and other related elements of logistics support. The estimated cost is $203 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 which has been and continues to be an important force for political stability and economic progress in the Middle East.

The Egyptian Armed Forces will use these helicopters for troop transport and logistics support. They may also be deployed in joint exercise with the United States such as Operation Bright Star.

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

The prime contractor will be Boeing Helicopter Company, Philadelphia, Pennsylvania. There are no offset agreements proposed to be entered into in connection with this potential sale.

Implementation of this proposed sale will require an U.S. contractor representative for one year in-country and four additional U.S. contractor representatives for one week when the aircraft arrives. Up to eight U.S. Government Quality Assurance personnel will be required for one week following delivery of the helicopters.

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

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Annex
Item No. vi

(vi) Sensitivity of Technology:

1. The CH-47 CHINOOK Helicopter includes the following classified or sensitive components:

a. Radar Warning Receiver AN/APR-39A(V)3 - provides warning of a radar directed air defense threat to permit appropriate countermeasures. It is programmed with threat data provided by the purchasing country. Hardware is classified Confidential. Technical manuals for the maintenance levels are classified Confidential. Reverse engineering is not a major concern.

b. Laser Detecting Set AN/AVR-2A - is a passive laser warning system which receives, processes and displays threat information result from other aircraft illuminators, laser range finders or laser guided weapons. Hardware is classified Confidential. Reverse engineering is not a major concern.

c. Missile Approach Detector AN/ALQ-156(V)1 - is an airborne radar system which provides infrared homing protection to the aircraft by detecting the approach of an anti-aircraft missile. Hardware is classified Confidential. Reverse engineering is not a major concern.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware in this sale, 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.

3. A determination has been made that Egypt can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

[FR Doc. 98–26521 Filed 10–2–98; 8:45 am]
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